

Comprehensive Annual Financial Report

For the years ending April 30, 2008 and 2007

*Charles B. Wheeler Downtown Airport
Celebrating 80 Years of Service
1927-2007*



Department of Aviation, an Enterprise Fund of the City of Kansas City, Missouri
601 Brasilia Avenue, Kansas City, Missouri 64153

Comprehensive Annual Financial Report

For the
Department of Aviation
an Enterprise Fund of the
City of Kansas City, Missouri

For the years ending April 30, 2008 and 2007

Prepared by:
Finance and Accounting Division

Eric B. Clevenger, CPA
Deputy Director, Finance and Accounting

Danelle J. Harrison
General Ledger Manager

Sam L. Carter, CPA, CGFM
Aviation Treasurer



Kansas City (the City) is a constitutionally chartered city and political subdivision of the State of Missouri, incorporated on June 3, 1850. The City is the central city of a fifteen-county Metropolitan Statistical Area (MSA) situated at the confluence of the Kansas and Missouri rivers.

The City is governed by a city council comprising a mayor and twelve other elected members. The city council is elected to four-year terms of which only two terms may be consecutive. The Mayor and six of the council members are elected at large and six council members are elected by the residents of their districts. The City Council is responsible for establishing the City's policy and overseeing the City's affairs.

The Mayor appoints four members of the City Council to serve on the City's Aviation Committee. This committee performs in-depth reviews of proposed Aviation Department legislation and objectives.

Subsequent to the review of department legislation, the committee will forward a recommendation to the full City Council for approval.

The City Council is also responsible for appointing the City Manager who is responsible for implementing the City policies approved by the City Council. The City Manager appoints and has oversight responsibility for the Director of Aviation.

The Director of Aviation (the Director) is responsible for the operation and maintenance of the Department's two airport facilities: the Kansas City International Airport and the Charles B. Wheeler Downtown Airport, and a portion of the Richards-Gebaur Intermodal Transportation Facility (formerly Richards-Gebaur Memorial Airport). The Director is also responsible for department staffing requirements and operates the department via nineteen divisions. Each division manager is responsible for budgeting and overseeing the daily operations of his/her respective division.

PICTURES:

Cover: View of Kansas City skyline from the *Charles B. Wheeler Downtown Airport (MKC)*.

Page 3: *Entrance to Charles B. Wheeler Downtown Airport.* (photo credit - Fred O'Neill, KCAD)

CITY OF KANSAS CITY, MISSOURI

Mark Funkhouser, Mayor

City Council Members

Council Members-at-Large

District 1Deb Hermann
District 2Ed Ford
District 3Melba Curls*
District 4Beth Gottstein
District 5Cindy Circo
District 6Cathy Jolly

District Council Members

District 1Bill Skaggs*
District 2Russ Johnson**
District 3Sharon Sanders Brooks
District 4Jan Marcason*
District 5Terry Riley*
District 6John A. Sharp

*Denotes member of Transportation & Infrastructure Committee

**Denotes chairman of Transportation & Infrastructure Committee

Wayne Cauthen, City Manager

DEPARTMENT OF AVIATION

Mark D. VanLoh, A.A.E.
Director of Aviation

Ian Redhead, C.M.
Deputy Director, Operations and Maintenance

Eric B. Clevenger, CPA
Deputy Director, Finance and Accounting

David Graham Long, A.A.E.
Deputy Director, Properties and Commercial Development

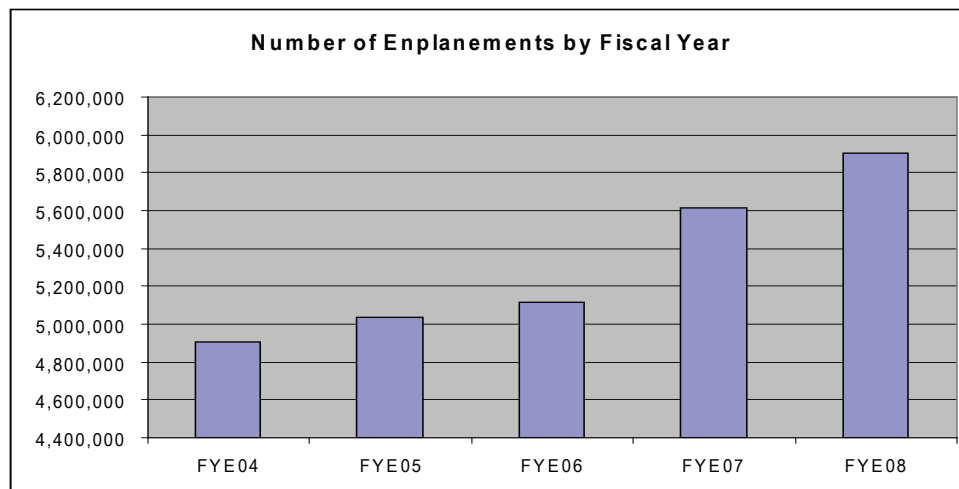


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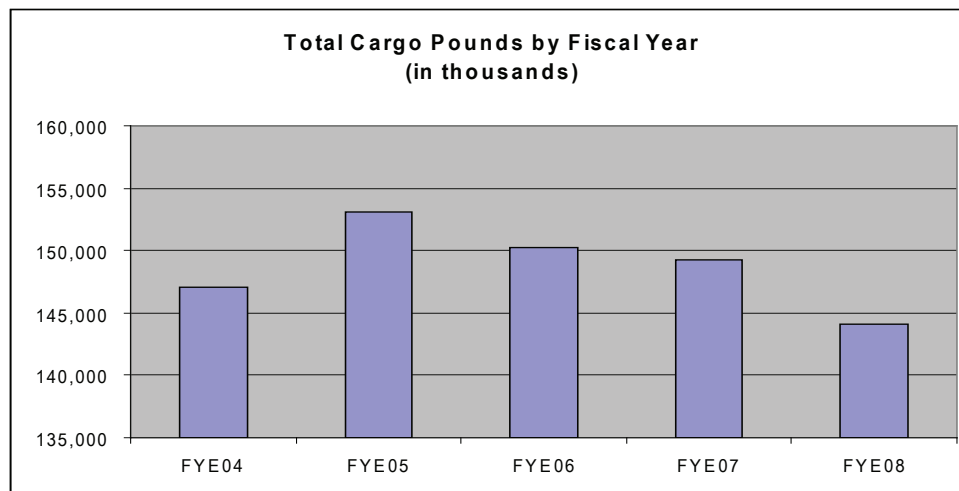
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INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

TRANSMITTAL LETTER

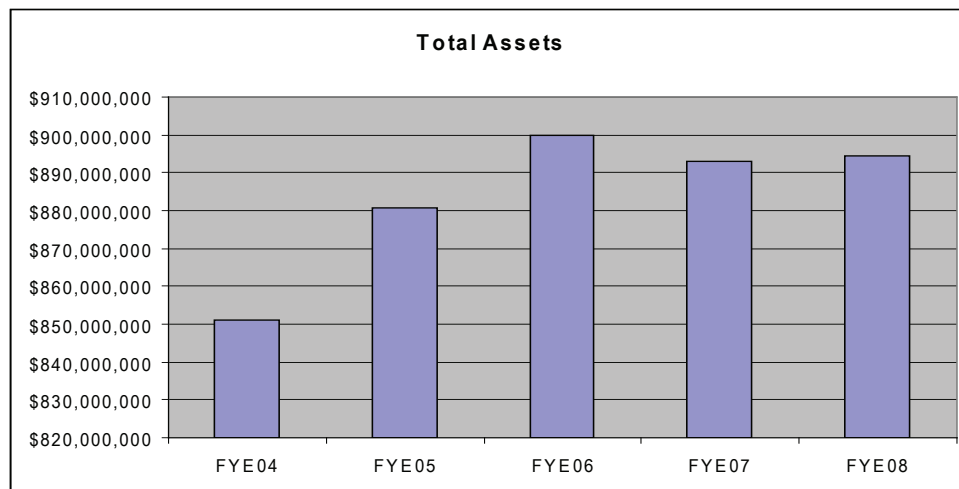
PRESENTATION OF COMPREHENSIVE ANNUAL FINANCIAL REPORT BY THE DIRECTOR OF AVIATION

ORGANIZATION CHART

ORGANIZATION OF THE DEPARTMENT OF AVIATION MANAGEMENT

CERTIFICATE OF ACHIEVEMENT

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PRESENTED BY THE
GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)





**KANSAS CITY
AVIATION DEPARTMENT**
Kansas City International Airport
601 Brasilia Avenue
Kansas City, Missouri 64153

October 31, 2008

Honorable Mayor and City Council Members,

City of Kansas City, Missouri;

Mr. Wayne Cauthen, City Manager, City of Kansas City, Missouri;

Citizens of Kansas City; and

Fellow Employees:

I hereby present this Comprehensive Annual Financial Report (CAFR) of the Department of Aviation (the Department) for the City of Kansas City, Missouri (the City).

State law requires that all political subdivisions publish an annual report of financial transactions. This report is published to fulfill that requirement for the fiscal year ended April 30, 2008. The independent accounting firm, KPMG LLP, whose report is included, has issued an unqualified (clean) opinion on the Department's financial statements for the year ended April 30, 2008. The independent auditors' report is located at the front of the financial section of this report. The independent accounting firm also conducted an audit of compliance as required by Section 14 of the Code of Federal Regulations (CFR) Part 158, Passenger Facility Charges.

This report was prepared by the Finance and Accounting Division of the Department, which is committed to the accurate disclosure of reporting to the City Council and citizens of the City.

The financial statements and statistical information contained herein are representations of the Department's management, which bears the responsibility for the accuracy, completeness, and fairness of this report. To the best of my knowledge, these representations are accurate in all material respects.

This report is prepared in accordance with the guidelines set forth by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards a Certificate of Achievement to all public entities whose CAFR has attained the high standards of public financial reporting, including U.S. generally accepted accounting principles (GAAP) promulgated by the Government Accounting Standards Board (GASB). Subsequent to publication of this report, it will be submitted for consideration by GFOA in meeting the high standards of disclosure and reporting.

The reader is encouraged and reminded that the Management's Discussion and Analysis (MD&A) beginning on page 23 is a narrative representation of the past year's financial results and should also be read with this letter.

Profile of The Department of Aviation

The Department of Aviation (the Department) is a department of the City and commenced operations concurrent with the dedication of the Kansas City Municipal Airport, now the Charles B. Wheeler Downtown Airport, on August 17, 1927 by aviation legend, Charles Lindbergh. The Department now oversees operations at the Kansas City International Airport and the Charles B. Wheeler Downtown Airport. The Richards-Gebaur Intermodal Transportation Facility (formerly Richards-Gebaur Memorial Airport) was sold in June 2007.

Kansas City International Airport

The Kansas City International Airport (MCI) is located 18 miles north of downtown Kansas City, Missouri, and is comprised of 10,725 acres. MCI officially opened on November 11, 1972 and serves as the primary passenger air carrier airport. MCI has three fully instrumented runways and a full complement of parallel taxiways that are capable of handling any aircraft in service today. To accommodate all passengers, the airport has three passenger terminals that have a total of over one million square feet with 66 boarding gates and 50 passenger boarding bridges. Each of the three terminals includes a full complement of offices, food and beverage concession areas, restrooms, news and gift shops, departure lounges, and baggage handling facilities. The airport has 23,213 parking spaces to accommodate vehicles for airport visitors.

Charles B. Wheeler Downtown Airport

The Charles B. Wheeler Downtown Airport formerly served as the City's air carrier airport prior to MCI's opening in 1972. The airport is conveniently located across the river from the downtown area and is comprised of 697 acres, approximately the same size as when it was dedicated in 1927. The airport currently services the general aviation community as a reliever airport with one fixed base operation, hangar, tie-down, maintenance aircraft rental, and charter and training services. The airport is also home to a college-level aircraft maintenance school and aircraft museum.

Richards-Gebaur Intermodal Transportation Facility

The Richards-Gebaur Intermodal Transportation Facility (RG), is located on the south side of the City and encompassed 1500 acres. A former United States Air Force base, RG was used for general aviation purposes until it was officially closed by the Federal Aviation Administration on January 10, 2000 to establish an intermodal freight transportation facility. A majority of RG was sold for \$10.6 million on June 27, 2007 to the Kansas City Port Authority who selected CenterPoint Properties to plan and manage the redevelopment of the former Richards-Gebaur Air Force base into an intermodal facility that will feature a rail facility and adjacent light manufacturing, distribution, and warehousing facilities. The proceeds received from the sale will be utilized to enhance the general aviation operations of the Charles B. Wheeler Downtown Airport.

Long-Term Financial Planning

The Department has two long-term financial goals:

1. *To diversify more revenue away from aviation related industries.* Currently, the Department's revenue is concentrated on the airline industry. To hedge against any future downturns in the airline industry, the Department will diversify its revenue into other industries. The Department is currently working with Trammel Crowe to develop land for use in the warehousing industry.
2. *To increase the percentage of fixed revenue.* The Department currently has a far greater percentage of variable revenue than fixed revenue, which is favorable in a positive economic environment and unfavorable in a declining economic environment. To weather any future declining economic environments, and when it is financially prudent, the Department will pursue fixed versus variable revenue streams to protect itself.

Local Economy

Kansas City, Missouri, is the most centrally located principal city in the United States of America. Such a logistically favorable location has allowed the City to flourish as a mecca for transportation-related industries and companies, as evidenced by the decision of 12 major passenger air carriers, 5 major cargo air carriers, 5 first-class railroads and well over 100 trucklines. Within a three-hour flight, one can be in any one of the 50 major cities in the "lower 48." Not only is the City served in the air, but it is served on the ground as well. The City is the second largest railroad hub in the country and is also the headquarters for Kansas City Southern Railroad. Located in the heart of America, the City is well suited for truck transportation and is the headquarters for YRC Worldwide (formerly known as Yellow Roadway Corporation) as well as five *Fortune 500* companies.

The City has historically pursued a policy of annexation, and is today the 13th largest city in land area in the United States of America with a total area of approximately 317 square miles.

The City has a Metropolitan Statistical Area (MSA) that includes a total of fifteen counties; nine and six of these counties are located in the states of Missouri and Kansas, respectively. Those counties located in Missouri include Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray and those located in Kansas

include Franklin, Johnson, Leavenworth, Linn, Miami, and Wyandotte. In total, this fifteen-county MSA encompasses an area of 7,856 square miles. Within this MSA are three principal cities: Kansas City, Missouri, Overland Park, Kansas, and Kansas City, Kansas.

The primary Air Service Area (ASA) serves the population within and beyond the MSA and includes the Buchanan, Missouri and Douglas, Kansas counties. In total, an estimated 2,185,402 residents live within the ASA and no other hub airport overlaps the primary ASA. The nearest large hub airport, St. Louis, is located 250 miles away. Small hub airports, Des Moines and Wichita, are each located 190 miles away. The population of the MSA comprises 90.9 percent of the ASA's population and, therefore, all discussion of economic trends will focus on the MSA.

The unemployment for the MSA, as compared to that of the states of Missouri and Kansas, and the national average, is as follows:

	FYE06	FYE07	FYE08
Kansas City MSA	4.5%	4.5%	4.6%
State, Missouri	4.4	4.3	5.2
State, Kansas	4.2	4.0	4.0
National	4.7	4.5	5.0

Source: www.bls.gov, not seasonally adjusted

There has been a slight increase in unemployment in the MSA with a significant increase for the state of Missouri. There is a moderate increase in the Kansas City MSA's inflation rate as shown below. This past calendar year inflation increased 2.3 percent as compared to a 2.6 percent increase in the previous calendar year.

	CPI-U	Annual Increases
C2001	172.2	3.4%
C2002	174.0	1.0%
C2003	177.0	1.7%
C2004	180.7	2.1%
C2005	185.3	2.5%
C2006	190.1	2.6%
C2007	194.5	2.3%

Highlights

May 2007

The Ambassador Building at Kansas City International Airport, which the Kansas City Aviation Department acquired in 2006, welcomed a new addition to its growing number of tenants. Wire Rope Corporation of America, Inc. (WRCA), the largest manufacturer of wire rope in the Western Hemisphere, moved its corporate administrative office from St. Joseph, Missouri, into the Ambassador Building in Kansas City. WRCA, which operates eight manufacturing facilities in the United States, Canada and Mexico, produces rope for cables in cranes used for construction, as well as in the oil and gas industries. It also produces structural cables and lifting products used in buildings, bridges and towers. Kansas City's Bartle Hall, the largest column-free exposition facility in the United States, is supported by structural strand assemblies manufactured by WRCA.

June 2007

On June 27, 2007, the City sold the former Richards-Gebaur Air Force Base to the Port Authority of Kansas City for \$10.6 million resulting in a gain on sale of \$1.1 million.

August 2007

August 17 marked the 80th anniversary of the dedication of the airport known today as the *Charles B. Wheeler Downtown Airport*. Because of its location at the confluence of the Kansas and Missouri rivers, the airport was originally called "Peninsula Field." Charles Lindbergh dedicated the Kansas City Municipal Airport (MKC) in 1927. In 1928 a passenger terminal was built for the transcontinental rail-air operations. Today, Charles B. Wheeler Downtown Airport serves more than 83,000 aircraft per year.

Kansas City International Airport (MCI) recorded 1,036,724 passengers arriving and departing through its gates in August, which marked the fourth consecutive million-passenger month and represented an increase of 12.1 percent from August 2006. Passenger boardings at MCI were up 14.2 percent, totaling 532,839 during August. For the year-to-date, boardings at MCI totaled 3,919,429, an increase of 8.6 percent from the same period last year.

Kansas City International Airport has added more new routes than any other airport in the United States from August 2006 to August 2007. In this 12-month period, six airlines have added 16 new routes from MCI.

September 2007

Kansas City International Airport records 21st consecutive month of traffic growth with 903,252 passenger arriving and departing through its gates in September representing an increase of 7.3 percent from September 2006.

The second Kansas City International Cruise Night classic car event was held September 22nd in the Economy Parking Lot C at Kansas City International Airport.

Kansas City hosts *Airports Council International (ACI)* which held their 16th annual conference and exhibition in Kansas City September 30 through October 3.

October 2007

Kansas City International Airport recorded 1,006,918 passengers arriving and departing through its gates in October, which represented an increase of 8.4 percent from October 2006.

Great Lakes Airlines began service at MCI in October with non-stop service to Garden City, Kansas and Burlington, Iowa. Great Lakes will also operate existing flights to Kansas cities Dodge City, Great Bend, and Hays.

December 2007

Calendar year 2007 marked record highs with Kansas City International Airport welcoming 11.3 million passengers, the busiest year since 2001 and the fourth busiest year in the airport's history. Non-stop routes added in 2007 bring the total number of destinations with nonstop service from MCI to 71.

SuperShuttle, a major airport transportation service located throughout the United States which serves over 8 million passengers per year has purchased *KCI Shuttle*, the on-airport shared-ride transportation service. Their distinctive blue and yellow vans provide door-to-door service, low rates and 24-hour call centers where customers can make reservations by phone or online.

Airport channel CNN features a 60-second spot commercial showing *Kenzie* the chimpanzee planning a trip on the KCI website, driving himself to the airport, parking, shuttling to the terminal and checking in at the gate. The commercial may also be viewed at the KCI website, flykci.com.

Grant Management

The Department has relied heavily on Airport Improvement Program (AIP) grants, sponsored by the Department of Transportation Federal Aviation Administration, to fund many of its capital improvement projects, including the cost of the inline baggage screening system, the glycol recovery systems, the acquisition of snow removal equipment, and taxiway rehabilitation. Normally, these grants will fund between 75 and 95 percent of the entire project. The remaining portion is funded by Department funds.

At April 30, 2008, the Department had twelve AIP grants open, three of which were opened in the current fiscal year. Please see Schedule of Grants on page 61 for more details.

The Department also has operating grants from the Federal Aviation Administration that fund the costs to provide canine bomb detection services and from the Transportation Security Administration for law enforcement officers. The proceeds provided by these grants in the past fiscal year totaled \$185,220.

Cash Management

The City administers the cash management of the Department's funds and invests them in accordance with the City's charter Section 2-1611, *Investment of Idle Cash*. This section allows for the investment of idle cash in financial instruments that are safe, liquid, and offer a high yield, in that order of priority. The City maintains pooled and non-pooled investments in accordance with the city charter investment policy.

Art Fund

The Department is a part of the City's *One Percent for Art* program. This is a legislated program passed in December 1986 which requires that one percent of the cost of the construction, reconstruction or remodeling of any municipal building be set aside for public art.

The Budget

Department management has long recognized the importance of proper and accurate budgeting. To this end, the Department annually creates a budget and submits it to the City Council for approval. Department control of the budget is maintained using encumbrances. A report of year-to-date actuals vs. budget is prepared monthly and distributed to all division managers.

Internal Control

The Department's internal control structure is an important and integral part of its entire accounting system. The current structure in place is designed to provide reasonable, but not absolute, assurance that:

1. Assets are safeguarded against loss from unauthorized use or disposition;
2. Transactions are executed in accordance with management's authorization;
3. Financial records are reliable for preparing financial statements and maintaining accountability for assets; and
4. There is compliance with applicable laws and regulations.

The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits that are likely to be derived from them, and that the evaluation of costs and benefits requires estimates and judgment by management.

I believe that the Department's internal control framework adequately safeguards assets and provides reasonable assurance and proper recording of financial transactions. Management also believes that the data in this CAFR, as presented, is accurate in all material respects, that it presents fairly the financial position, results of operations, and cash flows of the Department, and that all disclosures necessary to enable the reader to gain maximum understanding of the Department's financial affairs have been included herein.

The Department has an internal audit division that consists of one full-time employee. An audit committee comprised of the Director of Aviation and two Deputy Directors directs the duties and audits of this division.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City's Department of Aviation for its comprehensive annual financial report for the fiscal year ended April 30, 2007. This was the fourth consecutive year that the Department of Aviation has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

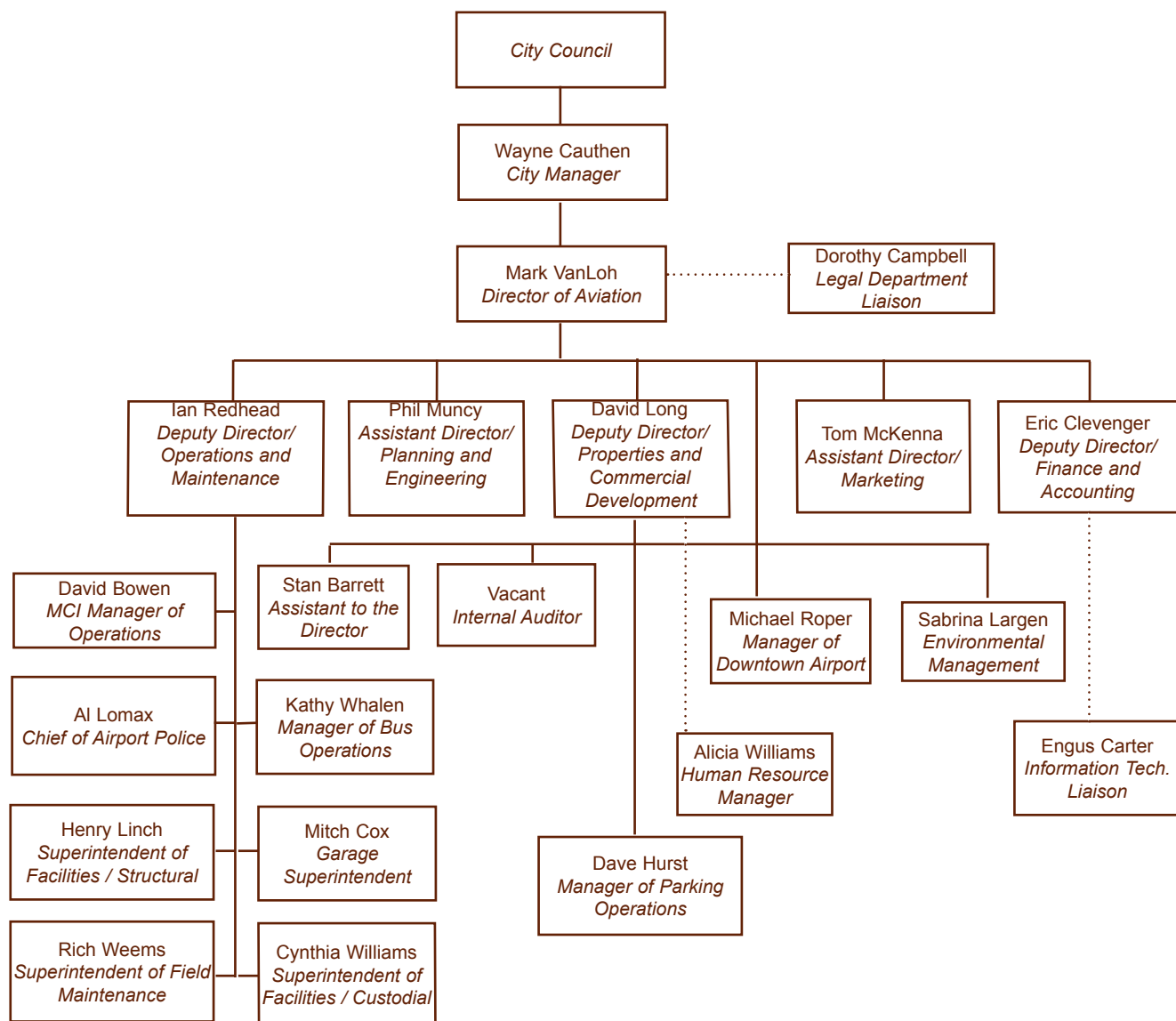
The production of this report is a cooperative effort of all the divisions within the Aviation Department and, to this end, I extend my appreciation to all divisions and their respective employees. I particularly recognize the efforts of the Finance and Accounting Division employees for the preparation of this report and their endeavor to accurately portray the financial operations of this Department.

Lastly, I would like to acknowledge the support of the City of Kansas City, Missouri, its City Council, the members of the Transportation and Infrastructure Committee, and Mr. Wayne Cauthen, City Manager.



Mark VanLoh, AAE
Director of Aviation





Certificate of Achievement for Excellence in Financial Reporting

Presented to

Department of Aviation,
City of Kansas City, Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Enser

Executive Director

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FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

INDEPENDENT AUDITORS' REPORT

OPINION LETTER FROM INDEPENDENT AUDITORS REGARDING THE FINANCIAL STATEMENTS CONTAINED
IN THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

MANAGEMENT'S DISCUSSION AND ANALYSIS

NARRATIVE ANALYSIS FROM MANAGEMENT DISCUSSING THE CURRENT FISCAL YEAR ACTIVITIES AND
THE FINANCIAL STATEMENTS INCLUDED IN THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

FINANCIAL STATEMENTS

COMPARATIVE FINANCIAL REPORTS FOR THE CURRENT AND PRIOR FISCAL YEARS, INCLUDING THE
STATEMENTS OF NET ASSETS; STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS;
AND STATEMENTS OF CASH FLOWS.

NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION CONCERNING THE
DATA REFLECTED IN THE FINANCIAL STATEMENTS.



KPMG LLP
Suite 1000
1000 Walnut Street
Kansas City, MO 64106-2162

Independent Auditors' Report

Honorable Mayor and Members of the City Council
Kansas City, Missouri:

We have audited the accompanying financial statements of the City of Kansas City Airports Fund (the Fund) as of and for the years ended April 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1 to the financial statements, the financial statements present only the Fund and are not intended to present fairly the financial position of the City of Kansas City, Missouri, and the changes in its financial position and cash flows where applicable for the years ended, in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Kansas City Airports Fund as of April 30, 2008 and 2007, and the changes in its financial position and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

As described in note 1 to the financial statements, the Fund adopted, as of May 1, 2007, the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Also, as described in note 1 to the financial statements, the Fund adopted the provisions of Governmental Accounting Standards Board Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

In accordance with *Government Auditing Standards*, we have issued a report dated October 31, 2008 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an

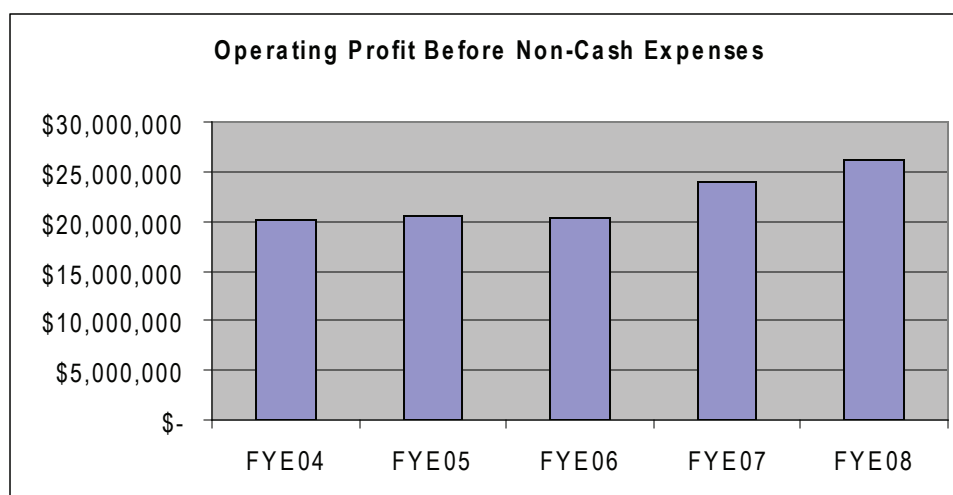
opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Management's discussion and analysis on pages 23 through 28 is not a required part of the financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the management discussion and analysis. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the Fund's financial statements. The introductory section and statistical section are presented for the purpose of additional analysis and are not a required part of the financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audits of the financial statements and, accordingly, we express no opinion on them.

KPMG LLP

Kansas City, Missouri
October 31, 2008



THIS MANAGEMENT'S DISCUSSION AND ANALYSIS

(MD&A) of the City of Kansas City, Missouri Aviation Department (the Department) provides an introduction and overview of the Department's financial statements and activities for the fiscal years ended April 30, 2008 (FYE2008) and April 30, 2007 (FYE2007). The Kansas City Airports Fund is an enterprise fund of the City of Kansas City, Missouri, (the City) and is supported wholly by airport user charges. No general tax fund revenues are used for the administration, promotion, operation or maintenance of the airports in the system. The Department is charged with the responsibility to operate and maintain the City's two airports: the Kansas City International Airport (MCI) and the Charles B. Wheeler Downtown Airport (MKC), as well as a portion of the Richards-Gebaur Intermodal Transportation Facility (RG).

The information contained herein should be considered in conjunction with the financial statements and notes in order to provide a complete understanding of the financial performance and activities this past year. The City combines the financial operations of the City's two airports and RG into one set of financial statements for the entire Department. Approximations are used throughout this MD&A in describing fluctuations between fiscal years and may not equal actual differences.

Overview of the Financial Statements

The accompanying financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles, as set forth by the Governmental Accounting Standards Board (GASB). Revenues and expenses are recognized when earned and incurred, not when received or paid. Capital assets, except land and construction in process, are depreciated over their useful lives. (See the notes to the financial statements for significant accounting policies).

The statements of net assets compare the Department's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the Department's financial position.

The statements of revenues, expenses and changes in net assets present information showing how the Department's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

In the statements of cash flows, only transactions that affect the Department's cash accounts through operating activities, financing activities and investing activities are listed.

Airport Activities and Highlights

One of the Department's leading activity indicators, passenger enplanements, increased in FYE08 by 5.3 percent. This increase in enplanements led to increased revenues in terminal fees, parking income and auto rental fees due to the opening of the newly constructed consolidated rental car facility which opened in May 2007. In the prior year, FYE07, enplanements increased 9.7 percent.

The Department's other leading activity indicator, aircraft landed weight, which is directly proportional to enplanements, also increased in FYE08. The 6.7 percent increase was a considerable step up compared to the 2.6 percent increase in FYE07.

To a lesser extent, enplaned cargo is also used as an indicator of the Department's activity. Cargo continued to decrease in FYE08 by 3.6 percent from FYE07. In FYE07, cargo marginally decreased by less than one percent.

Activity indicators for the past three fiscal years are as follows:

	FYE06	FYE07	FYE08
Enplanements	5,112,330	5,611,002	5,905,988
Cargo Enplaned (000 lbs.)	150,227	149,239	144,059
Landed Weight (000 lbs.)	8,077	8,283	8,840

Financial Position and Assessment

Summary of Operating Revenues

In order to understand the revenues presented in this CAFR, an overview of the Airline Use and Lease Agreement (the agreement) is required to enhance the readers' knowledge of the information presented.

This is the third year of the agreement which established the following four airline specific cost centers: 1. Airfield; 2. Passenger Boarding Bridges; 3. Terminal Aprons; and 4. Terminal Building. Airlines which have executed an agreement with the airport are referred to as signatory airlines. Airlines using the airport without an executed agreement are referred to as non-signatory airlines. The agreement cost centers are used to identify and reallocate airline specific expenses related to the leased premises, operations, facilities or functions conducted at the airport by signatory

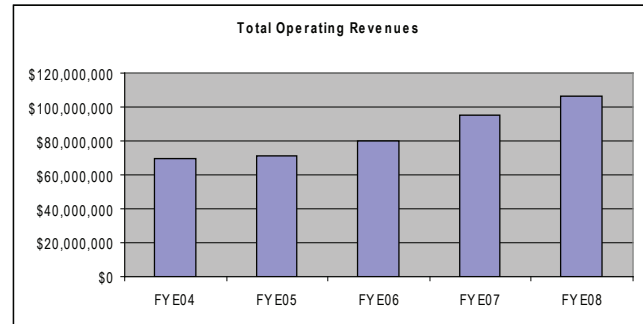
airlines. These cost center expenses are the basis for determining the rate charged to each signatory airline. All non-signatory airlines pay 125 percent of the signatory airline rate.

There are a maximum of three calculations performed under the terms and conditions of the agreement: 1. Budgetary Calculation; 2. Mid-Year Budgetary Adjustment; and 3. Settlement. Before the start of every fiscal year, a budget is adopted for the operations of the airport. Based on this adopted budget, rates are calculated for each agreement cost center and used for billing the airlines for their airport operations. As the year progresses, the actual results are monitored and compared to the adopted budget. If there is a significant change in circumstances from the adopted budget, a mid-year budgetary adjustment is performed and the cost center rates are adjusted to reflect the change in circumstances. Once the year is completed, a settlement is performed to "true-up" the signatory airline rates to reflect the actual operating costs of each agreement cost center. There is no settlement calculation performed for the non-signatory airlines.

Operating revenues for FYE06, FYE07, and FYE08 are itemized as follows (in thousands):

	FYE06	FYE07	FYE08
Terminal fees:			
Terminal floor space	\$8,196	\$8,798	\$9,920
Apron	1,728	1,487	1,898
Passenger boarding bridges	1,029	617	609
Total	10,953	10,902	12,427
Airfield fees:			
Landing fees	11,003	12,379	13,144
Fuel flowage fees	659	638	755
Total	11,662	13,017	13,899
Parking:			
Parking	35,473	39,932	43,906
Livery trip fees	297	101	101
Total	35,770	40,033	44,007
Property rental:			
Aviation	4,389	10,495	9,728
Non-aviation	3,540	3,887	4,292
Total	7,929	14,382	14,020
Auto rental fees:			
Property rental	1,304	405	575
Concession	7,069	8,412	10,121
Total	8,373	8,817	10,696
Transportation Facility Charge	1,760	4,297	4,540
Concessions:			
Food and beverage	1,573	1,744	2,038
News, gifts, and merchandise	1,636	1,149	1,224
Other	382	665	312
In-flight food service	206	82	85
Total	3,797	3,640	3,659
Other	136	367	858
Total operating revenues	\$80,380	\$95,455	\$104,106

As a result of the Department's favorable activities in FYE08, the Department's operating revenues have continued to grow, increasing approximately \$8.7 million, or 9.1 percent, from the previous year. This is the Department's sixth consecutive year of an increase in operating revenues.



In FYE08, the increase in terminal fees, primarily terminal floor space revenue, coincided with an increase in apron fees. Revenues generated from the Terminal Building agreement cost center increased by \$1.12 million, or 12.8 percent. This increase was mainly due to a budgetary signatory rate increase. Fees from the Terminal Apron agreement cost center increased \$411 thousand, or 27.6 percent. The Terminal Apron increase was due to a budgetary signatory rate increase of \$27.67, or 14.1 percent, from \$196.72 to \$224.39 per lineal foot. While more passenger boarding bridges were rented during FYE08, revenue from the Passenger Boarding Bridges agreement remained relatively flat on a year over year basis due to a rate decrease of \$376 per bridge per month, from \$1,408 to \$1,032 per bridge per month. In FYE07, terminal fees remained stable. Revenues generated from the Terminal Building agreement cost center increased by \$600 thousand, or 7.3 percent. This increase was mainly due to a budgetary signatory rate increase of \$2.28 per square foot, or 9.3 percent, from \$24.39 to \$26.67 per square foot. Fees from the Terminal Apron agreement cost center declined \$240 thousand, or 13.9 percent, due to a budgetary signatory rate decrease of \$5.61 per lineal foot, or 2.8 percent, from \$202.33 to \$196.72 per lineal foot with the balance due to a reduction in the number of overnight aircraft parking. While more passenger boarding bridges were rented during FYE07, revenue from the Passenger Boarding Bridges agreement cost center still decreased \$412 thousand, or 40.0 percent, due mainly to a budgetary signatory rate decrease of \$1,184 per bridge per month, or 45.7 percent from \$2,592 to \$1,408 per bridge per month.

Fees associated with the Airfield agreement cost center increased \$882 thousand, or 6.8 percent in FYE08. This increase was due to a 5.3 percent rise in the number of enplanements as well as a 5.6 percent increase in the landing fees rate from \$1.43 to \$1.51. In

FYE07, landing fees increased \$1.35 million, or 12.5 percent, due to an increase in landing rates from \$1.35 to \$1.43.

Parking revenue increased approximately \$4.0 million in FYE08, or 9.9 percent, partially due to a 12.1 percent increase in Terminal Garage Parking Fees, which made up 53.3 percent of the total parking on airport property. In FYE07, parking revenue increased approximately \$4.3 million, or 11.9 percent, as a result of a 2 percent increase in usage of airport parking facilities plus an increase of \$1.19 in the average parking revenue per transaction, which represents a percentage increase of 10.7 percent.

The Department's property rental revenue in FYE08 showed a slight decrease of \$0.4 million from FYE07. This slight decrease was due to air service utilities at the overhaul base, which increased \$1.6 million from FYE07, offset by the decrease in rental income from the previously owned Richards-Gebaur Airport. The continued lease-up of the Ambassador building contributed to the increase in non-aviation property rental revenues generating a \$0.8 million increase from FYE07. Property rental revenue in FYE07 increased \$6.5 million from FYE06. The increase associated with aviation property was \$6.1 million of which \$4.9 million was due to the full year reimbursement of utilities associated with the overhaul base. The balance of the \$1.2 million was due to the normal rental rate increase for the various aviation property tenants. The increase associated with the non-aviation property was approximately \$400 thousand of which \$270 thousand was associated with new rental operations of the newly acquired Ambassador building with the remaining \$130 thousand associated with the normal rental rate increase for the various non-aviation property tenants.

Rental car fees in FYE08 increased approximately \$1.9 million, or a 21.3 percent increase over FYE07 due to increased concession fees and a 5.2 percent increase in enplanements for FYE08. Rental car fees in FYE07 increased approximately \$400 thousand which can be attributed to the 9.7 percent increase in enplanements for FYE07.

Transportation facility charges are assessed at \$2 per transaction day on rental car contracts to pay for the new bus facility to house buses that will be used for transporting passengers between the new consolidated rental car facility and the terminals. This fee also pays for maintenance of the new rental car facility. In FYE08, revenue from transportation facility charges increased \$243 thousand, or 5.7 percent, due to the 5.2 percent increase in enplanements for

FYE08. In FYE07, which was the first full year of collections, revenue from transportation facility charges increased \$2.5 million from FYE06. This increase can also be attributed to the 9.7 percent increase in enplanements for FYE07.

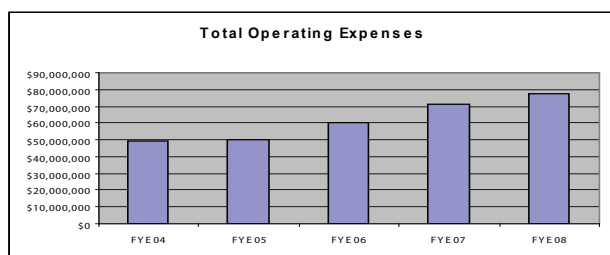
Concession fee results for FYE08 remained relatively flat on a year over year basis. Concession fees increased slightly by \$19 thousand, or 0.5 percent, from FYE07. The food and beverage revenue increased by approximately \$0.3 million, or 16.9 percent. The news, gifts, and merchandise revenue increased by \$75 thousand, or 6.5 percent over FYE07. The in-flight food service remained relatively flat on a year over year basis. Concession fee results for FYE07 were mixed even though enplanements increased by 9.7 percent. Overall, concession fees declined by \$200 thousand from FYE06. The food and beverage revenue increased by approximately \$150 thousand while the new, gifts and merchandise revenue decreased by \$500 thousand. Other concession revenue, mainly advertising revenue, increased by \$300 thousand while the in-flight food service decreased by approximately \$120 thousand. All concession rates remained the same from FYE06 to FYE07.

Summary of Operating Expenses

Operating expenses in FYE08 increased approximately \$6.4 million or 9.0 percent from the previous year. The 9.7 percent increase in salaries, wages and employee benefits reflects wage increases necessary for retaining quality employees, as well as increased employee health and life insurance costs and increased contributions to the employee pension plan. This past year the Department contributed \$2.1 million to the pension plan, which represents 12.4 percent of our annual FYE08 base salaries. The 8.9 percent increase in contractual services in FYE08 includes a 22.1 percent increase in insurance costs as well as a 22.6 percent increase in utility costs. The 6.2 percent increase in commodities in FYE08 is comprised of increased costs for fuel, cleaning supplies and new vehicle registrations. Operating expenses in FYE07 increased approximately \$11.4 million or 19.0 percent from the previous year with the majority of the increase attributable to contractual services. Increases in utilities for the overhaul base of \$4.9 million, \$2.1 million in fees for the rental car bus service agreement, \$1.3 million in specialized contract work attributed to the contractual service activities. Commodities increased \$1.0 million, or 34.8 percent, in FYE07 due to a \$700 thousand increase in deicing materials and a \$300 thousand increase in building maintenance supplies and materials.

Operating expenses excluding depreciation and amortization for the past three fiscal years are itemized as follows (in thousands):

	FYE06	FYE07	FYE08
Salaries, wages, and benefits	\$24,007	\$25,022	\$27,456
Contractual services	33,071	42,447	46,221
Commodities	2,978	4,013	4,260
Total	\$60,056	\$71,482	\$77,937



Summary of Statements of Revenues, Expenses and Changes in Net Assets

Net assets increased by \$16.2 million in FYE08. The 9.1 percent increase in operating revenues were offset by the 9.0 percent increase in operating expenses excluding depreciation and amortization and the 7.6 percent increase in depreciation and amortization expenses, increasing the operating loss by \$1.9 million or 6.3 percent from FYE07. Non-operating revenues in FYE08 increased \$3.4 million, or 7.9 percent, due to a \$1.5 million recovery of prior year expenditures relating to the rehabilitation of the overhaul base, a \$1.2 million gain on sale of fixed assets and increases in the collection customer facility charges and earnings on cash and investments. Non-operating expenses in FYE08 increased 3.7 percent from FYE07 mainly due to the capitalization of \$1.5 million of interest in FYE07 relating to the consolidated rental car facility. The \$8.8 million increase in capital grant revenue also contributed to the overall net increase in net assets in FYE08. Without the capital grant revenue of \$20.7 million, a net loss of \$4.4 million would have been recognized.

Net assets increased by \$6.6 million in FYE07. The FYE07 operating loss was comparable to that of FYE06 while the non-operating revenues increased by \$9.0 million due to an increase earnings on cash and investments of \$4.5 million and an increase in passenger facility charges of \$3.8 million, which can be attributed to the 9.7 percent increase in enplaned passengers. FYE07 non-operating expenses decreased by \$3.6 million comprised of a decrease in

other non-operating expenses of \$2.6 million and a decrease in interest expense of \$1.0 million due to the capitalization of interest on the consolidated rental car facility project. Capital contributions associated with capital grants also decreased in FYE07 by \$29.0 million due to the completion of several grant-related projects.

A summary of revenues and expenses for the past three fiscal years is as follows (in thousands):

	FYE06	FYE07	FYE08
Operating revenues	\$ 80,380	\$ 95,455	\$ 104,106
Operating expenses	60,056	71,482	77,937
Operating income before non-cash operating expenses	20,324	23,973	26,169
Non-cash operating expenses:			
Depreciation	41,575	46,008	50,326
Depreciation-grant proceeds	7,692	7,579	7,346
Amortization	354	358	357
Total	49,621	53,945	58,029
Operating loss	(29,297)	(29,972)	(31,860)
Non-operating revenue:			
Earnings on cash/investments	7,396	11,906	12,678
Passenger facility charge	20,253	24,098	23,822
Customer facility charge	6,148	6,456	6,810
Operating grant revenue	130	168	185
Other	211	378	2,923
Total non-operating revenue	34,138	43,006	46,418
Non-operating expense:			
Interest	19,187	18,105	18,884
Other	2,886	274	182
Total non-operating expense	22,073	18,379	19,066
Non-operating income	12,065	24,627	27,352
Loss before capital contribution	(17,232)	(5,345)	(4,508)
Capital contributions	40,898	11,915	20,731
Increase in net assets	23,666	6,570	16,223
Net assets—beginning of year	450,878	474,544	481,115
Net assets—end of year	\$474,544	\$481,114	\$497,338

Debt Administration

Total debt outstanding at FYE08 was approximately \$370.6 million, a \$15.4 million decrease from the previous year. This decrease is due to the normal payment of debt service obligations during the year. Total debt outstanding at FYE07 was approximately \$386 million, a \$12.0 million decrease from the previous year. No new debt

was incurred during the current or prior fiscal year.

The Department had the following additions and deductions from the interest paid on its outstanding bonds for the last three fiscal years. (Please refer to notes 8 and 9 for more details.)

	FYE06	FYE07	FYE08
Interest paid	\$20,158,000	\$19,605,743	\$18,951,626
Interest capitalized	(1,153,481)	(1,460,336)	-
Accrued interest	100,655	(79,093)	(106,423)
Amortized loss on refunding	630,627	615,163	615,163
Amortized bond discount	76,342	76,342	76,342
Amortized premium	(604,645)	(655,328)	(655,328)
Interest exp. on refund.	-	-	-
Interest rev. on bond sale	(23,236)	-	-
Fiscal agent fees paid	2,631	2,816	2,116
Interest expense	\$19,186,893	\$18,105,307	\$18,883,496

Capital Contributions

Receipts from capital grants during the last three fiscal years are as follows:

	FYE06	FYE07	FYE08
AIP-3-29-0040-34	\$ 1,389,800	\$ -	\$ -
AIP 3-29-0040-37	5,178,810	-	-
AIP 3-29-0040-38	48,811	-	-
AIP 3-29-0040-41	532,843	705,554	-
AIP 3-29-0040-42	394,507	39,924	-
AIP 3-29-0040-43	925,341	787,383	6,148,685
AIP 3-29-0040-44	3,803,506	2,063,413	552,527
AIP 3-29-0040-45	6,748,979	236,021	-
AIP 3-29-0040-46	4,634,255	-	-
AIP 3-29-0040-47	837,989	373,223	2,092,494
AIP 3-29-0040-48	2,778,347	-	-
AIP 3-29-0040-49	-	306,488	1,270,667
AIP 3-29-0040-50	-	139,058	-
AIP 3-29-0040-51	-	2,789,628	451,117
AIP 3-29-0040-52	-	3,340,187	1,123,275
AIP 3-29-0040-53	-	-	2,747,048
AIP 3-29-0040-54	-	-	289,128
AIP 3-29-0040-55	-	424,987	5,541,645
AIP 3-29-0041-13	77,025	19,197	-
AIP 3-29-0041-14	7,650,000	-	-
AIP 3-29-0041-13	-	-	108,884
AIP 3-29-0041-15	5,415,000	-	-
AIP 3-29-0041-16	409,776	690,224	-
AIP 3-29-0041-17	-	-	405,787
MODOT	72,896	-	-
Total contributions	\$ 40,897,885	\$11,915,287	\$20,731,257

Capital contributions and capital grant revenues increased approximately \$8.8 million in FYE08 compared to the \$29 million decrease in FYE07. Capital improvement projects funded by grants in FYE08 included the inline baggage screening system, the glycol recovery

systems, the acquisition of snow removal equipment and taxiway rehabilitation. Reimbursements from grants in FYE07 funded costs of rehabilitating runways and taxiways, aircraft rescue and firefighting equipment and passenger security.

Summary of Statements of Net Assets (in thousands)

	FYE06	FYE07	FYE08
Assets:			
Current assets	\$ 71,594	\$ 48,775	\$ 69,441
Non-current:			
Investments	175,457	163,486	149,485
Capital, net	648,697	676,913	671,993
Bond issue costs, net	4,243	3,885	3,528
Total assets	\$899,991	\$893,059	\$894,447
Liabilities:			
Current liabilities	\$ 39,148	\$ 37,772	\$ 39,747
Long-term	386,299	374,172	357,362
Total liabilities	425,447	411,944	397,109
Net Assets:			
Invested in capital, net of debt	295,181	310,260	312,855
Restricted	61,684	60,094	74,527
Unrestricted	117,679	110,761	109,956
Total net assets	474,544	481,115	497,338
Total liabilities and net assets	\$899,991	\$893,059	\$894,447

In FYE08, total assets increased by \$1.4 million to approximately \$894 million largely due to an increase in the balance of passenger facility charge fees and from the lack of current projects associated with these fees which increased restricted net assets by 24 percent from \$60,094 in FYE07 to \$74,527 in FYE08. In FYE07, total assets decreased by \$7.0 million to approximately \$893 million due to reduced capital contributions from grants from the prior year.

Airline Rates and Charges

Airline rates and charges (R&Cs) represent the fees received by the Department from the airlines for their use of the airport's facilities and for the privilege of operating at MCI. The calculation of the R&Cs is based on the provisions of the Airline Use and Lease Agreement (the agreement). It is important to maintain low airline rates and charges in order to remain cost-competitive.

The agreement negotiated between the City and the airlines became effective May 1, 2005 and will expire April 30, 2009. R&Cs are determined for a year using budgeted amounts. After six months, the R&Cs may be amended to conform with year-to-date

actuals. At the end of each fiscal year, settlement R&Cs are calculated based on actual amounts and additional payments may be paid to or received from the signatory airlines.

The rates and charges settlement rates billed (or to be billed) to the airlines are as follows:

	FYE06 ⁽¹⁾	FYE07 ⁽¹⁾	FYE08 ⁽⁴⁾
Signatory landing fee ⁽²⁾	\$1.35	\$1.43	\$ 1.51
Terminal rental rate	\$24.39/sf	\$26.67/sf	\$ 26.90/sf
Terminal apron rental	\$202.33/lf	\$196.72/lf	\$224.39/lf
Passenger boarding bridge ⁽³⁾	\$2,592/mo	\$1,408/mo	\$1,032/mo

⁽¹⁾ actual settlement rates

⁽²⁾ per 1,000 lbs. of aircraft landed weight

⁽³⁾ per boarding bridge

⁽⁴⁾ projected settlement rates

Landing fees and terminal rental rates for non-signatory airlines are assessed at 125 percent of the established rates.

Capital Assets

Net capital assets decreased in FYE08 by \$4.9 million which is comprised of a \$34.9 million increase in assets capitalized and a \$39.8 million increase in depreciation on capital assets. Capital purchases in FYE08 include the purchase of The Parking Plaza as well as construction of the new rental car bus facility, improvements to the glycol collection systems and various machinery and equipment purchases. Capital assets retired in FYE08 include the majority of the Richards-Gebaur Intermodal Transportation Facility in June 2007. In FYE07, capital assets increased by \$28.2 million as compared to \$34.8 million in FYE06. The capital asset growth in FYE07 can be attributed mainly to the completion of the consolidated rental car facility and the initial construction of the cargo glycol collection system. (Please refer to note 5 for more details.)

Passenger Facility Charges

Passenger facility charges (PFC) are fees authorized by the Federal Aviation Administration charged to enplaning passengers that are used to finance eligible airport-related projects. Kansas City International Airport is currently authorized at \$425 million with the current fee set at \$4.50 per enplaned passenger. In FYE08, PFC revenue experienced virtually no change. PFC revenue grew in FYE07 as a result of the 9.7 percent increase in enplaned passengers. (Please see note 11 and the Compliance Section of this

report for additional details.) Historical PFC revenue on an accrual basis is as follows:

FYE06	\$20,252,999
FYE07	24,097,730
FYE08	23,822,136

Customer Facility Charges

A Customer Facility Charge (CFC) of \$3.00 per transaction day on rental cars was implemented on January 1, 2001 to fund the debt service associated with the design, engineering and construction of the new consolidated rental car facility. In FYE08, CFC revenues increased \$353 thousand, or 5.5 percent, as a result of the 5.2 percent increase in enplanements for FYE08. In FYE07, the 5.0 percent increase in CFC revenues can be attributed to the 9.7 percent increase in enplanements for FYE07.

CFC revenues earned on an accrual basis for the last three fiscal years are as follows:

FYE06	\$6,147,691
FYE07	6,456,360
FYE08	6,809,736

Request for Information

This financial report is designed to provide the Department's management, investors, creditors and customers with a general overview of the Kansas City Airports Fund's finances and to demonstrate the Department's accountability for the funds it receives and expends. For additional information about this report, please contact the undersigned at Kansas City International Airport, P. O. Box 20047, Kansas City, Missouri 64195-0047.

This report is respectfully submitted by,

Eric B. Clevenger

Eric B. Clevenger, CPA
Deputy Director/Finance and Accounting



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STATEMENTS OF NET ASSETS

April 30, 2008 and 2007

ASSETS	FYE08	FYE07
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 3,429,851	\$ 8,716,360
Investments	22,785,997	12,978,734
Accounts receivable	6,223,635	6,547,011
Allowance for doubtful accounts	(569,321)	(508,455)
Grants receivable	3,830,899	1,381,921
Interest receivable	911,109	1,035,156
Prepaid insurance and other	691,223	727,934
Inventories	819,649	730,181
Total unrestricted assets	38,123,042	31,608,842
Restricted assets:		
Cash and cash equivalents	12,175,214	5,237,957
Investments	13,936,044	7,356,287
Accounts receivable	4,453,013	4,155,378
Allowance for doubtful accounts	(60,354)	(191,147)
Interest receivable	814,477	607,949
Total restricted assets	31,318,394	17,166,424
Total current assets	69,441,436	48,775,266
Non-current assets:		
Investments:		
Unrestricted	80,348,832	102,948,769
Restricted	69,135,909	60,536,586
Total investments	149,484,741	163,485,355
Capital assets:		
Land (nondepreciable)	37,861,553	39,048,329
Construction in progress (nondepreciable)	32,723,518	21,619,021
Buildings, infrastructure, and equipment	1,104,456,960	1,079,430,085
	1,175,042,031	1,140,097,435
Accumulated depreciation	(503,049,149)	(463,184,462)
Total capital assets	671,992,882	676,912,973
Bond issue costs, net of accumulated amortization of \$2,105,240 and \$1,747,692 at April 30, 2008 and 2007, respectively	3,527,803	3,885,351
Total non-current assets	825,005,426	844,283,679
Total assets	\$894,446,862	\$893,058,945

The notes are an integral part of these financial statements.

	FYE08	FYE07
LIABILITIES and NET ASSETS		
Current liabilities:		
Payable from unrestricted assets:		
Accounts and retainages payable	\$ 11,535,355	\$ 9,336,043
Accrued payroll, vacation, and sick leave	1,234,127	964,854
Security deposits	311,901	147,882
Prepaid lease revenue	3,321,655	4,287,121
Accrued claims liability	414,620	813,960
Total current liabilities payable from unrestricted assets	16,817,658	15,549,860
Payable from restricted assets:		
Accounts and retainages payable	1,644,064	3,885,740
Matured bonds and coupons	299,373	299,373
Accrued interest and fiscal agent fees	2,590,946	2,697,369
Bonds payable, current portion	18,395,000	15,340,000
Total current liabilities payable from restricted assets	22,929,383	22,222,482
Total current liabilities	39,747,041	37,772,342
Non-current liabilities:		
Accrued payroll, vacation, and sick leave	3,636,268	2,857,157
Accrued claims liability	1,089,000	319,000
Bonds payable, net of current portion	352,255,000	370,650,000
Unamortized bond discount, premium and deferred refunding charge	381,874	345,698
Total non-current liabilities	357,362,142	374,171,855
Total liabilities	397,109,183	411,944,197
Net assets:		
Invested in capital assets, net of related debt	312,854,674	310,259,794
Restricted:		
Principal and interest	19,475,813	11,083,090
Deferred maintenance and replacement	750,000	750,000
Airline operations and maintenance reserve	12,989,518	11,913,719
Reserve for law enforcement	60,942	193,832
Reserves for construction and debt service	41,250,653	36,153,768
Total restricted net assets	74,526,926	60,094,409
Unrestricted	109,956,079	110,760,545
Total net assets	497,337,679	481,114,748
Total liabilities and net assets	\$894,446,862	\$893,058,945

The notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the years ending April 30, 2008 and 2007

	FYE08	FYE07
Operating revenues:		
Terminal and aprons	\$ 12,426,693	\$ 10,901,852
Airfield	13,899,348	13,017,560
Parking	44,007,005	40,032,941
Rental car	10,695,864	8,817,410
Transportation facility charges	4,540,222	4,296,620
Concessions	3,658,952	3,639,827
Property rental	14,020,277	14,381,823
Other	858,121	367,018
Total operating revenues	<u>104,106,482</u>	<u>95,455,051</u>
Operating expenses:		
Salaries, wages, and employee benefits	27,455,554	25,022,038
Contractual services	46,220,645	42,447,274
Commodities	4,260,908	4,012,999
Total operating expenses before depreciation and amortization	<u>77,937,107</u>	<u>71,482,311</u>
Operating income before non-cash operating expenses	26,169,375	23,972,740
Non-cash operating expenses:		
Depreciation	50,326,594	46,008,100
Depreciation—grant proceeds	7,345,854	7,578,991
Amortization	357,548	357,548
Total non-cash operating expenses	<u>58,029,996</u>	<u>53,944,639</u>
Total operating loss	(31,860,621)	(29,971,899)
Non-operating revenues:		
Earnings on cash and investments	12,677,561	11,906,515
Passenger facility charge	23,822,136	24,097,730
Customer facility charge	6,809,736	6,456,360
Operating grant revenue	185,220	168,117
Other	2,923,404	377,681
Total non-operating revenues	<u>46,418,057</u>	<u>43,006,403</u>
Non-operating expenses:		
Interest	18,883,496	18,105,307
Other	182,266	273,960
Total non-operating expenses	<u>19,065,762</u>	<u>18,379,267</u>
Total non-operating revenues, net	27,352,295	24,627,136
Loss before capital contributions	(4,508,326)	(5,344,763)
Capital contributions	<u>20,731,257</u>	<u>11,915,287</u>
Change in net assets	16,222,931	6,570,524
Total net assets—beginning of the year	<u>481,114,748</u>	<u>474,544,224</u>
Total net assets—end of the year	<u><u>\$497,337,679</u></u>	<u><u>\$481,114,748</u></u>

The notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the years ending April 30, 2008 and 2007

	FYE08	FYE07
Cash flows from operating activities:		
Cash received from providing services	\$ 104,764,113	\$ 95,566,308
Cash paid to employees, including benefits	(26,407,171)	(24,436,847)
Cash paid to suppliers	(50,843,151)	(50,435,322)
Cash provided by operating activities	<u>27,513,791</u>	<u>20,694,139</u>
Cash flows from noncapital financing activities:		
Proceeds from operating grants	185,220	168,117
Cash provided by noncapital financing activities	<u>185,220</u>	<u>168,117</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(51,036,535)	(21,374,766)
Construction of capital assets	(9,564,327)	(60,492,147)
Construction contract retainage	(903,033)	1,533,484
Principal paid on capital debt	(15,340,000)	(12,005,000)
Interest paid on capital debt	(18,951,626)	(18,145,407)
Fiscal agent fees paid	(2,116)	(2,816)
Passenger facility charges	23,822,136	24,154,914
Customer facility charges	6,809,736	6,405,410
Proceeds from sales of capital assets	10,626,548	49,261
Capital contributions	18,282,279	18,567,862
Cash used in capital and related financing activities	<u>(36,256,938)</u>	<u>(61,309,205)</u>
Cash flows from investing activities:		
Purchase of investments	(213,899,519)	(164,270,661)
Proceeds from sales and maturities of investments	213,940,650	184,452,920
Interest received	10,167,544	13,634,760
Cash provided by investing activities	<u>10,208,675</u>	<u>33,817,019</u>
Net increase (decrease) in cash and cash equivalents	1,650,748	(6,629,930)
Cash and cash equivalents at beginning of year	<u>13,954,317</u>	<u>20,584,247</u>
Cash and cash equivalents at end of year	<u><u>\$15,605,065</u></u>	<u><u>\$13,954,317</u></u>
Reconciliation to Statements of Net Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 3,429,851	\$ 8,716,360
Restricted	12,175,214	5,237,957
Cash and cash equivalents at end of year	<u><u>\$15,605,065</u></u>	<u><u>\$13,954,317</u></u>

The notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS, CONTINUED

	FYE08	FYE07
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$(31,860,621)	\$(29,971,899)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	\$ 58,029,996	\$ 53,944,639
Accounts receivable	25,741	(271,483)
Prepaid insurance and other	36,711	(102,831)
Inventories	(89,468)	(5,148)
Accounts payable	(679,500)	(4,156,430)
Accrued payroll, vacation, and sick leave	1,048,383	585,191
Security deposits	164,019	25,575
Prepaid lease revenue	(965,466)	331,673
Accrued claims liability	370,660	289,360
Other	1,433,336	25,492
Cash provided by operating activities	<u>\$ 27,513,791</u>	<u>\$ 20,694,139</u>
Non-cash investing activity:		
Increase (decrease) in fair value of investments	<u>\$ 2,427,537</u>	<u>\$ (1,843,015)</u>

The notes are an integral part of these financial statements.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The Kansas City Airports Fund (the Fund) is owned by and is a fund of the City of Kansas City, Missouri (the City). The Fund is utilized to account for the operations of the City's two airports, the Kansas City International Airport (MCI) and the Charles B. Wheeler Downtown Airport (Downtown) as well as a portion of the Richards-Gebaur Intermodal Transportation Facility (RG), the majority of which was sold to the Port Authority of Kansas City this past fiscal year. The financial statements present only the Fund and are not intended to present the financial position of the City and the changes in its financial position and cash flows for the years ended, in conformity with U.S. generally accepted accounting principles.

Basis of Accounting

The City accounts for the Fund as a proprietary enterprise fund. The accompanying financial statements are prepared on the accrual basis of accounting, wherein revenues are recorded when earned and expenses are recorded when incurred.

Proprietary Accounting and Financial Reporting

In accordance with Government Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Fund follows all GASB pronouncements as well as all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principal Board Opinions, and Accounting Research Bulletins issued before November 30, 1989, unless they contradict GASB guidance.

Operating versus Non-operating

The Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from the rental of property or utilization of airport facilities and infrastructure. Operating revenues also include the transportation facility charges which are used to operate the consolidated rental car facility transportation system.

Revenue Recognition

Airfield fees – Based on the aircraft's landed weight, airfield fees are principally landing fees generated from scheduled airlines and non-scheduled airlines, including charters. The fee structure is determined annually based on an agreement between the City and signatory airlines, which takes into account the Fund's operating expenses and the total annual landed weight of aircraft. Fuel flowage fees, which are included in airfield fees, comprised 5.4 percent and 4.9 percent of the total airfield fees for FYE08 and FYE07, respectively. Airfield fees are recognized as part of operating revenues when the airline-related facilities are utilized.

Rents – Terminal and other space rent, parking, car rental rents, and concessions are generated from airlines, parking structures and lots, food, rental cars, fixed base operators, and other commercial tenants. Leases for the airlines are based on a cost recovery basis. Rental revenue is recognized over the life of the respective leases and concession revenue is recognized partially based on reported concession revenue and partially based on minimum rental guarantee.

Cash and Cash Equivalents

The Fund's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

Investments

The Fund's investments are maintained in the City's pooled investments. All investments are reported at fair value. The fair value of marketable securities is based on quotations that are generally obtained from national securities exchanges. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms or pricing services.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, continued*Accounts Receivable*

Accounts receivable balances are reflected as unrestricted and restricted and are recorded at the invoiced amount. The allowance for doubtful accounts is the Fund's best estimate of the probable losses in the existing accounts receivable balance. Restricted accounts receivable consists of Passenger Facility Charges and Customer Facility Charges that are either outstanding or have been accrued as of April 30, 2008 and 2007.

Inventories

Inventories, consisting of machine parts, fuel, and supplies, is valued at the lower of cost or market.

Capital Assets and Depreciation

Capital assets are stated at cost and include assets funded by proceeds of revenue and general obligation bonds, grants, and contributions. Normal maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized when placed into service and are depreciated over the remaining estimated useful lives of the related properties.

At the time of retirement or other disposition of properties, the assets and related depreciation accounts are relieved of the amounts included therein and the resulting gain or loss is recognized.

The provision for capitalization and depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

	Useful Life (yrs.)	Capitalization Threshold
Building and building improvements	25	\$100,000
Runway, aprons, and roads	15	\$25,000
Equipment	3–10	\$5,000

Capitalization of Interest

Interest costs incurred that relate to the acquisition or construction of capital assets acquired with debt are capitalized. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested idle debt proceeds over the same period. There was no capitalized interest in FYE08 and \$1,460,336 in capitalized interest in FYE07.

Prepaid Revenue

The Fund reports prepaid lease revenue on its statements of net assets when revenues have been received but not been earned. In subsequent periods, when revenue recognition criteria are met, the liability for prepaid lease revenue is removed from the statements of net assets and the revenue is recognized.

Original Bond Issue Discount, Premium, and Deferred Refunding Charge

Original bond issue discount, premium, and deferred refunding charge on long-term indebtedness are amortized using the straight-line basis over the life of the debt to which it relates.

Contributed Capital

Contributions of capital assets received from other entities, including those from other City funds, grants, and assistance received from other governmental units for the acquisition of capital assets, are recorded as capital contributions.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, continued

Accounts and Retainages Payable

Accounts payable and retainage balances are reflected as unrestricted and restricted. Restricted accounts and retainages payable consist of invoices and retainage withheld from construction payments that are to be paid from bond proceeds or other restricted assets that were either outstanding or have been accrued as of April 30, 2008 and 2007.

Vacation and Sick Leave Benefits

Under the terms of the City's personnel policy, city employees are granted vacation and sick leave in varying amounts. Vacation is accumulated at an annual rate of 10 to 20 days, depending on the employee's length of service. Sick leave is accumulated at the rate of 3.7 hours per two-week pay period. The maximum amount of vacation that may be carried forward, which is accrued in the Fund, is two times the amount earned in a year. Sick leave with pay may be accumulated up to a limit of 3,000 hours. Upon separation from service, employees may convert accrued sick leave at the ratio of four hours of sick leave to one hour of vacation leave credit. Retiring employees 55 years or older with at least 25 years of creditable service; employees who are to receive a line-of-duty disability pension; employees who qualify for a City pension and retire with a normal retirement, take early retirement at age 60 or thereafter, or die are entitled to sick leave credit at the rate of two hours of sick leave to one hour of vacation leave credit.

Interfund Payments

Interfund payments consist primarily of payments to the City's general fund for administrative, data processing, and accounting services, as well as payments for fire operation services. These charges are recorded in the contractual services section of the statements of revenues, expenses, and changes in fund net assets.

A summary of the administrative service charge, fire protection service charge, and Metropolitan Ambulance Services Trust (MAST) charge for the previous two fiscal years are as follows:

	<u>Administrative Service Charge</u>	<u>Fire Protection Service Charge</u>	<u>MAST</u>
FYE08	\$4,264,097	\$2,697,453	\$436,593
FYE07	4,047,305	2,465,849	411,749

Non-operating Revenue

Passenger Facility Charges – In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a passenger facility charge (PFC) on enplaning passengers. PFCs may be used for airport projects that meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or provide opportunities for enhanced competition between and/or among carriers.

Customer Facility Charges – In January 2001, a customer facility charge user fee of \$3.00 per rental day was imposed on each rental of a passenger vehicle by a customer from a rental car agency. These fees are for the purpose of paying a portion of the cost of constructing, equipping, and financing a consolidated rental car facility and for the payment of debt service on revenue bonds issued for this project.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, continued*Reclassifications*

Certain 2007 reclassifications have been made to conform to the 2008 presentation.

Adoption of New Accounting Pronouncements

Effective May 1, 2007, the City adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Statement No. 45). This statement establishes accounting and financial reporting standards for employers that participate in a defined benefit "other postemployment benefits" (OPEB) plan.

Effective May 1, 2007, the City adopted GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* (GASB Statement No. 48). This statement establishes criteria for governments to use to account for the exchange of an interest in their expected receivables or specific future revenues for immediate cash payments. The statement also requires disclosures pertaining to future revenues that have been pledged or sold. This statement had no effect on the statements of net assets; revenues, expenses and changes in net assets; and cash flows.

New Accounting Pronouncements Not Adopted

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB Statement No. 49). This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups. The City will implement GASB Statement No. 49 beginning with the year ended April 30, 2009.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures*—an amendment of GASB Statements No. 25 and No. 27 (GASB Statement No. 50). This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The City will implement GASB Statement No. 50 beginning with the year ended April 30, 2009.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB Statement No. 51). This Statement establishes accounting and financial reporting requirements for intangible assets, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The City will implement GASB Statement No. 51 beginning with the year ended April 30, 2011.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments* (GASB Statement No. 52). This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. The City will implement GASB Statement No. 52 beginning with the year ended April 30, 2010.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB Statement No. 53). This Statement is intended to improve how state and local governments report information about derivative instruments, financial arrangements used by governments to manage specific risks or make investments, in their financial statements. The statement specifically requires governments to measure most derivative instruments at fair value in their financial statements. The guidance in this statement also addresses hedge accounting requirements. The City will implement GASB Statement No. 53 beginning with the year ended April 30, 2011.

The City has not completed its assessment of the impact of the adoption of these statements, except for GASB Statement No. 50, as this only impacts disclosures and has no impact on the financial statements.

Note 2. DEPOSITS AND INVESTMENTS**Deposits**

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of demand and time deposits, repurchase agreements and other investments with maturities of less than five years. At April 30, 2008, the carrying amount (book value) of the City's deposits, including certificates of deposit and the collateralized money market account was \$76,412,012 which was covered by federal depository insurance or by collateral held by the City's agents under joint custody agreements in accordance with the City's administrative code. A difference exists between book and bank balances of \$10,712,590 due to deposits in transit and other reconciling items.

Investments – Pooled and Non-pooled

The City is empowered by City Charter to invest in the following types of securities:

1. United States Treasury Securities (Bills, Notes, Bonds and Strips). The City may invest in obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. United States Agency/GSE Securities. The City of Kansas City, Missouri may invest in obligations issued or guaranteed by any agency of the United States Government and in obligations issued by any government sponsored enterprise (GSE) which have a liquid market and a readily determinable market value that are described as follows:
 - (a) U.S. Govt. Agency Coupon and Zero Coupon Securities.
 - (b) U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only.
 - (c) U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed interest rate.
 - (d) U.S. Govt. Agency Floating Rate Securities. Restricted to coupons with no interim caps that reset at least quarterly and that float off of only one index.
 - (e) U.S. Govt. Agency Mortgage-Backed Securities (MBS, CMO, Pass-Thru Securities). Restricted to securities with final maturities of five (5) years or less or have the final projected payment no greater than four (4) years when analyzed in a +300 basis point interest rate environment. Restricted to obligations of FNMA, FHLMC and GNMA only.
3. Repurchase Agreements. The City may invest in contractual agreements between the City and commercial banks or primary government securities dealers. The Bond Market Association's guidelines for the Master Repurchase Agreement will be used and will govern all repurchase agreement transactions. All repurchase agreement transactions will be either physical delivery or tri-party.
4. Bankers' Acceptances. The City may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
5. Commercial Paper. The City may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total assets in excess of five hundred million dollars (\$500,000,000) and are not listed on Credit Watch with negative implications by any nationally recognized rating agency at the time of purchase. In addition, the City's portfolio may not contain commercial paper of any one corporation, the total value of which exceeds 2% of the City's aggregate investment portfolio.
6. Any full faith and credit obligations of the State of Missouri rated at least A or A2 by Standard and Poor's or Moody's.
7. Any full faith and credit obligations of any county in which the city is located rated at least AA or Aa2 by Standard and Poor's or Moody's.
8. Any full faith and credit obligations of any school district in Kansas City, Missouri rated at least AA or Aa2 by Standard and Poor's or Moody's.
9. Any full faith and credit obligations or revenue bonds of the City of Kansas City, Missouri rated at least AA or Aa2 by Standard and Poor's or Moody's.
10. Any municipal obligation as defined in (6), (7), (8) or (9) that is not rated but either pre-refunded or escrowed to maturity with U.S. Treasury Securities as to both principal and interest.

Note 2. DEPOSITS AND INVESTMENTS, continued**Interest Rate Risk**

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the final maturity on any security owned to a maximum of five years. In addition, the City compares the weighted average maturity of its portfolio to the weighted average maturity of the Merrill Lynch 1-3 year Government/Agency index, and relative to the index, may decrease the weighted average maturity of the portfolio during periods of rising interest rates or increase it during periods of declining rates. As of April 30, 2008, the City had the following investments and maturities (amounts are in thousands):

		<u>Investment Maturities (In Years)</u>				
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 5</u>	<u>Weighted Average</u>
Pooled Investments:						
Money Market Account	\$ 35,043	\$ 35,043	\$ -	\$ -	\$ -	0.01
Certificates of Deposit	23,350	23,350	-	-	-	0.24
Commercial Paper	8,000	8,000	-	-	-	0.01
Municipal Securities	10,003	-	1,455	-	8,548	3.72
US Treasury Bills	9,931	9,931	-	-	-	0.44
US Treasury Notes/Bonds	119,747	63,328	56,419	-	-	0.96
US Agencies - Noncallable	281,275	157,454	21,695	44,708	57,418	1.51
US Agencies - Callable	229,961	86,719	-	-	143,242	2.84
Mortgage-Backed Agency	<u>42,618</u>	<u>23,060</u>	<u>11,425</u>	<u>2,353</u>	<u>5,780</u>	1.22
Total Pooled	\$759,928	\$406,885	\$ 90,994	\$47,061	\$214,988	1.70
Non-pooled Investments:						
US Agencies - Noncallable	69,560	58,066	7,737	-	3,757	0.73
US Agencies - Callable	<u>16,885</u>	<u>-</u>	<u>-</u>	<u>2,553</u>	<u>4,332</u>	4.30
Total Non-pooled	86,445	58,066	7,737	2,553	18,089	1.43
GRAND TOTAL	<u>\$846,373</u>	<u>\$464,951</u>	<u>\$98,731</u>	<u>\$49,614</u>	<u>\$233,077</u>	1.67

The Fund's allocation of pooled and non-pooled investments as of April 30, 2008, was \$184,131,277 and \$2,075,505, respectively. Deposits totaled \$15,605,065.

As of April 30, 2007, the City had the following investments and maturities (amounts are in thousands):

	Investment Maturities (In Years)					
Investment Type	Fair Value	Less Than 1	1-2	2-3	3-5	Weighted Average
Pooled Investments:						
Money Market Account	\$ 25,082	\$ 25,082	\$ -	\$ -	\$ -	0.01
Certificates of Deposit	5,709	5,709	-	-	-	0.38
U.S. Treasury Bills	23,642	23,642	-	-	-	0.31
U.S. Treasury Notes/Bonds	110,645	110,645	-	-	-	0.63
U.S. Agencies–Noncallable	328,146	195,127	86,691	40,954	5,374	1.02
U.S. Agencies–Callable	172,610	35,145	38,907	29,570	68,988	2.73
Mortgage-Backed Agency	19,961	9,217	6,562	4,182	-	1.21
Total Pooled	\$685,795	\$404,567	\$132,160	\$ 74,706	\$74,362	1.33
Non-pooled Investments:						
U.S. Treasury Bills	\$ 7,748	\$ 7,748	\$ -	\$ -	\$ -	0.14
U.S. Agencies–Noncallable	112,941	104,025	6,371	-	2,545	0.50
U.S. Agencies–Callable	21,499	2,565	16,426	-	2,508	1.49
Total Non-pooled	\$142,188	\$114,338	\$ 22,797	\$ -	\$ 5,053	0.63
GRAND TOTAL	\$827,983	\$518,905	\$154,957	\$74,706	\$79,415	1.21

The Fund's allocation of pooled and non-pooled investments as of April 30, 2007, was \$181,521,613 and \$2,298,763, respectively. Deposits totaled \$13,954,317.

Note 2. DEPOSITS AND INVESTMENTS, continued

Callable Agency Securities. The city actively monitors its callable bond portfolio with respect to probability of call relative to market rates of interest. As of April 30, 2008 and 2007, the total fair value of the city's callable bond portfolio (pooled and non-pooled) is \$246,846,216 and \$194,109,444, respectively.

Mortgage-Backed Securities. In FYE08, the City has invested in collateralized mortgage obligation securities issued by the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA). Details of those securities are as follows:

FHR 2984 A, \$10,000,000 original par value. The security was purchased on June 30, 2005, and has a stated final maturity of July 15, 2010. The security has a fixed coupon rate of 5.50% and pays principal and interest monthly. Based on current prepayment speeds using industry-standard modeling, the City's principal amount should be fully retired in September, 2008. At April 30, 2008, the security had a remaining face value of \$2,874,371, a book value of \$2,874,371 and a fair value of \$2,876,167.

FHR 3149 QD, \$10,000,000 original par value. The security has a fixed coupon rate of 5.00% and pays principal and interest monthly. The security was purchased on January 5, 2007, and although has a stated final maturity of September 15, 2025, the security is one of the first five tranches to begin receiving principal payments. Based on current prepayment speeds using industry-standard modeling, the City's principal amount should be fully retired in July 2010. At April 30, 2008, the security had a remaining face value of \$7,963,346, a book value of \$7,922,721 and a fair value of \$8,003,163.

FHR 3294 CA, \$10,000,000 original par value. The security has a fixed coupon rate of 5.50% and pays principal and interest monthly. The security was purchased on July 18, 2007, and although has a stated final maturity of April 15, 2026, the security is the first tranche to begin receiving principal payments. Based on current prepayment speeds using industry-standard modeling, the City's principal amount should be fully retired in May 2009. At April 30, 2008, the security had a remaining face value of \$5,996,748, a book value of \$5,967,611 and a fair value of \$6,025,326.

FHR 3388 CG, \$20,000,000 original par value. The security was purchased on November 30, 2007, and has a stated final maturity of December 15, 2011. The security has a fixed coupon rate of 5.00% and pays principal and interest monthly. Based on current prepayment speeds using industry-standard modeling, the City's principal amount will be fully retired in December 2011. At April 30, 2008, the security had a remaining face value of \$16,731,148, a book value of \$16,731,148 and a fair value of \$16,818,066.

FNR 2005-101 NA, \$17,000,000 original par value. The security has a fixed coupon rate of 5.00% and pays principal and interest monthly. The security was purchased on December 12, 2007, and although has a stated final maturity of March 23, 2024, the security is the first tranche to begin receiving principal payments. Based on current prepayment speeds using industry-standard modeling, the City's principal amount will be fully retired in February 2010. At April 30, 2008, the security had a remaining face value of \$8,870,557, a book value of \$8,870,557 and a fair value of \$8,895,851.

In FYE07, the City invested \$20 million in a collateralized mortgage obligation security issued by the Federal Home Loan Mortgage Corporation (FHLMC). Details of those securities are as follows:

FHR 2984 A, \$10,000,000 par value. The security was purchased on June 30, 2005, and has a stated final maturity of July 15, 2010. The security has a fixed coupon rate of 5.50% and pays interest monthly. The security is the first tranche of the issue to receive principal payments, and the City's principal amount should be retired on a monthly basis beginning in June, 2007 and ending in September, 2008. At April 30, 2007, the security had a fair value of \$10,007,030.

FHR 3149 QD, \$10,000,000 par value. The security has a fixed coupon rate of 5.00% and pays interest monthly. The security was purchased on January 5, 2007, and although has a stated final maturity of September 15, 2025, the security is one of the first five tranches to begin receiving principal payments and the City's principal amount should be retired on a monthly basis beginning in June, 2007 and ending in December, 2009. At April 30, 2007, the security had a fair value of \$9,953,910.

Note 2. DEPOSITS AND INVESTMENTS, continued**Credit Risk**

Credit risk is the risk that the City will not recover its investments due to the ability of the counterparty to fulfill its obligation. In order to prevent over concentration by investment type and thereby mitigate credit risk, the City's Investment Policy provides for diversification of the portfolio by investment type as follows:

<u>Investment Type</u>	<u>Maximum</u>
US Treasury Securities and Government Guaranteed Securities	100%
Collateralized Time and Demand Deposits	100%
US Government Agency and GSE Securities	80%
Collateralized Repurchase Agreements	50%
US Agency Callable Securities	30%
Commercial Paper	30%
Bankers Acceptances	30%
Qualified Municipal Obligations	10%

As of April 30, 2008, the City had the following pooled and non-pooled investment balances (amounts are in thousands):

<u>Account/Investment Type</u>	<u>Fair Value</u>	<u>Notes</u>
US Treasury Securities	\$129,678	US Gov
US Agency Securities	640,299	US Agency
Commercial Paper	8,000	
Municipal Securities	<u>10,003</u>	US Gov Escrowed
Total	<u>\$787,980</u>	

As of April 30, 2007, the City had the following pooled and non-pooled investment balances (amounts are in thousands):.

<u>Account/Investment Type</u>	<u>Fair Value</u>	<u>Notes</u>
U.S. Treasury Bills	\$ 31,390	U.S. Gov
U.S. Treasury Notes/Bonds	110,645	U.S. Gov
U.S. Agency Discount Notes	77,153	U.S. Agency
U.S. Agency Securities	<u>578,006</u>	U.S. Agency
Total	<u>\$797,194</u>	

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party (i.e., the City's safekeeping institution).

The City's investment policy in FYE08 required that all funds on deposit with any financial institution be secured with collateral securities in an amount equal to at least 102 percent of the deposit less any amount insured by the Federal Deposit Insurance Corporation (FDIC), or any other governmental agency performing a similar function. As of April 30, 2008, all deposits were adequately and fully collateralized. The City's investment policy in FYE07 required that all funds on deposit with any financial institution be secured with collateral securities in an amount equal to at least 110 percent of the deposit less any amount insured by the Federal Deposit Insurance Corporation (FDIC), or any other governmental agency performing a similar function. As of April 30, 2007, all deposits were adequately and fully collateralized.

The City's investment policy requires that all investment securities be held in the City's name in the City's safekeeping account at its safekeeping institution, thereby mitigating custodial credit risk. As of April 30, 2008 and 2007, all investment securities were in the City's name in the City's safekeeping accounts at its safekeeping institutions. In addition, all collateral securities were in the City's joint custody account(s) at the Federal Reserve Bank and were either US Treasury (US Government guaranteed) or US Agency (Aaa/AAA rated) obligations.

Note 2. DEPOSITS AND INVESTMENTS, continued**Concentration of Credit Risk**

In FYE08, more than 5 percent of the City's investments are in the following U.S. Agency discount note/securities: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments are 9%, 27%, 18% and 20%, respectively, of the City's total investments.

In FYE07, more than 5 percent of the City's investments are in the following U.S. Agency discount note/securities: Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. These investments are 5%, 29%, 28% and 18%, respectively, of the City's total investments.

Note 3. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Changes in allowance for doubtful accounts for FYE08 and FYE07 are as follows:

	<u>Beginning Balance</u>	<u>Bad Debt Expensed</u>	<u>Write-Offs</u>	<u>Ending Balance</u>
FYE08	\$(699,602)	\$ 69,927	\$ -	\$(629,675)
FYE07	\$(728,570)	\$(19,255)	\$48,223	\$(699,602)

The balance in the allowance account for FYE08 reflects 4.3 percent of the respective accounts receivable balances less any bankruptcies, plus 100 percent of the bankruptcy amounts. The balance in the allowance account for FYE07 was recorded as 4.6 percent of the total accounts receivable balance net of any bankruptcy amounts, plus 100 percent of the bankruptcy amounts. Unrestricted and restricted allowance balances for FYE08 were \$(569,321) and \$(60,354), respectively; unrestricted and restricted allowance balances for FYE07 were \$(508,455) and \$(191,147), respectively.

Note 4. PREPAID EXPENSE

Changes in prepaid expense in FYE08 and FYE07 are as follows:

	<u>Beginning Balance</u>	<u>Amounts Pre-Paid</u>	<u>Amounts Expensed</u>	<u>Ending Balance</u>
FYE08	\$727,934	\$1,244,448	\$(1,281,159)	\$691,223
FYE07	\$625,103	\$1,354,926	\$(1,252,095)	\$727,934

Prepaid expense balances include prepaid insurance premiums less any monthly amortized expense for airport and law enforcement liability insurance, property insurance, and prepaid deposits for fingerprinting services.

Note 5. CAPITAL ASSETS

Capital asset activity for the years ended April 30, 2008 and 2007 is as follows:

	<u>FYE07</u>	<u>Additions</u>	<u>Reclass</u>	<u>Retired/ Expensed</u>	<u>FYE08</u>
Capital assets not being depreciated:					
Land	\$ 39,048,329	\$ 1,956,369	\$ -	\$(3,143,145)	\$ 37,861,553
Construction in progress	21,619,021	50,071,426	(38,966,929)	-	32,723,518
Total	60,667,350	52,027,795	(38,966,929)	(3,143,145)	70,585,071
Other capital assets:					
Buildings	549,902,706	2,086,299	23,641,988	(2,477,190)	573,153,803
Infrastructure	441,980,050	2,986,834	15,080,845	(18,290,967)	441,756,762
Equipment	87,547,329	5,040,103	244,096	(3,285,133)	89,546,395
Total	1,079,430,085	10,113,236	38,966,929	(24,053,290)	1,104,456,960
Less accumulated depreciation:					
Buildings	162,148,433	20,245,027	-	(2,232,823)	180,160,637
Infrastructure	248,052,489	23,243,077	-	(12,297,186)	258,998,380
Equipment	52,983,540	14,184,344	-	(3,277,752)	63,890,132
Total	463,184,462	57,672,448	-	(17,807,761)	503,049,149
Other capital assets, net	616,245,623	(47,559,212)	38,966,929	(6,245,529)	601,407,811
Total capital assets	\$676,912,973	\$ 4,468,583	\$ -	\$(9,388,674)	\$671,992,882
	<u>FYE06</u>	<u>Additions</u>	<u>Reclass</u>	<u>Retired/ Expensed</u>	<u>FYE07</u>
Capital assets not being depreciated:					
Land	\$ 37,270,829	\$ 1,777,500	\$ -	\$ -	\$ 39,048,329
Construction in progress	82,488,938	60,834,229	(121,362,064)	(342,082)	21,619,021
Total	119,759,767	62,611,729	(121,362,064)	(342,082)	60,667,350
Other capital assets:					
Buildings	444,856,313	16,605,000	88,441,393	-	549,902,706
Infrastructure	409,218,970	-	32,761,080	-	441,980,050
Equipment	85,930,153	2,928,233	159,591	(1,470,648)	87,547,329
Total	940,005,436	19,533,233	121,362,064	(1,470,648)	1,079,430,085
Less accumulated depreciation:					
Buildings	144,613,834	17,534,599	-	-	162,148,433
Infrastructure	225,648,586	22,403,903	-	-	248,052,489
Equipment	40,805,599	13,648,589	-	(1,470,648)	52,983,540
Total	411,068,019	53,587,091	-	(1,470,648)	463,184,462
Other capital assets, net	528,937,417	(34,053,858)	121,362,064	-	616,245,623
Total capital assets	\$648,697,184	\$ 28,557,871	\$ -	\$(342,082)	\$676,912,973

Note 5. CAPITAL ASSETS, continued

FYE08 activity included additions to construction in progress of \$50,071,426, of which \$10,778,034 was for construction costs associated with the new airport consolidated rental car facility, \$5,855,077 was spent on the rental car bus facility, \$7,374,542 was spent on the inline baggage screening system, \$3,666,481 was spent on the airfield sand/deicer facility, \$4,498,510 was spent on upgrading the glycol collection systems, \$11,016,620 was spent on rehabilitation of bridges, roadways, runways and taxiways, and \$6,882,162 was spent on various improvements to airport facilities.

The purchase of The Parking Plaza increased capital assets by \$7 million and included the addition of \$2 million in land, \$2 million in buildings, and \$3 million in infrastructure. Equipment purchases for FYE08 included \$2,292,520 for 8 buses, \$440,026 for 20 vehicles for police and operations, \$1.8 million for snow removal equipment, \$118,850 for a 1,000-gallon crash rescue vehicle, \$210,968 for 126 flight information display monitors for the airport terminals, \$40,850 for cleaning and maintenance equipment, and \$166,392 for various other tools and equipment.

Also in FYE08, \$38,966,929 was reclassified from construction in progress to other fixed assets. The amounts transferred to buildings and building improvements was \$23,641,988 and included \$5,855,077 for the rental car bus facility, \$3,913,990 for the airfield sand/deicer facility, \$10,778,034 in additional costs for the consolidated rental car facility, and \$3,094,887 for various building and leasehold improvements. The amount transferred to infrastructure was \$15,080,845 and included \$10,889,453 for glycol collection systems, \$3,664,426 for road and bridge rehabilitation, \$164,247 for additional runway rehabilitation costs and \$362,719 in various infrastructure improvements. The amount transferred to equipment was \$244,096 which included upgrades to the automated access control system and the com room cooling system.

A total of \$27,196,435 in capital assets was retired from the books in FYE08. The sale of the Richards-Gebaur Intermodal Transportation Facility (RG) prompted the removal of \$23,911,301 in fixed assets, including \$3,143,144 in land, \$2,477,190 in buildings and \$18,290,967 in infrastructure. The remaining \$3,285,134 of retired assets consisted of various obsolete office and operating equipment, including \$2,579,918 in busses, heavy equipment, vehicles and mowers sold at auction throughout the year and \$705,216 in various office and computer equipment.

FYE07 activity included additions to construction in progress of \$60,834,299, of which \$37,583,132 was for ongoing construction costs for the new airport consolidated rental car facility, \$12,099,567 was spent on runway and taxiway rehabilitation, and \$11,151,600 was for various improvements to airport facilities, equipment purchases, and upgrades. The purchase of 10 light vehicles, 8 snow plows, 20 mowers, 2 de-icer trucks, 1 aircraft rescue fire fighting (ARFF) vehicle, 1 sweeper, and 1 runway rubber removal unit accounted for a vast majority of the \$3,087,824 additions in equipment.

Also in FYE07, \$121,362,064 was reclassified from construction in progress to other fixed assets. Amounts transferred to buildings and building improvements include \$78,534,094 for the new consolidated rental car facility and \$9,907,299 for terminal and facility improvements. The amount transferred to infrastructure was \$32,761,080, which included \$22,776,158 for runway and taxiway rehabilitation, \$1,350,208 for bridge rehabilitation, and \$7,878,692 for the new automated access control system. The amount transferred to equipment was \$159,591 which related to boarding bridges and ticket counter equipment.

A total of \$1,470,648 in equipment was retired in FYE07. Equipment retired consisted mostly of computers, mowers, and vehicles.

Note 6. BOND ISSUE COSTS

Costs associated with the issuance of bonds are amortized over the life of their respective bonds. Issue costs and associated amortization of these costs at April 30, 2008 and 2007 are as follows:

	<u>FYE07</u>	<u>Additions/ Amortization</u>	<u>Refunded</u>	<u>Reclass Expensed</u>	<u>FYE08</u>
Bond issue costs	\$ 5,633,043	\$ -	\$ -	\$ -	\$ 5,633,043
Accumulated amortization	(1,747,692)	(357,548)	-	-	(2,105,240)
Total	\$ 3,885,351	\$ (357,548)	\$ -	\$ -	\$ 3,527,803

	<u>FYE06</u>	<u>Additions/ Amortization</u>	<u>Refunded</u>	<u>Reclass Expensed</u>	<u>FYE07</u>
Bond issue costs	\$ 5,633,043	\$ -	\$ -	\$ -	\$ 5,633,043
Accumulated amortization	(1,390,143)	(357,549)	-	-	(1,747,692)
Total	\$ 4,242,900	\$ (357,549)	\$ -	\$ -	\$ 3,885,351

Note 7. CLAIMS LIABILITY

The Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is entitled to the defense of sovereign immunity against tort action that provides immunity except in two areas, motor vehicles and condition of City property; however, plaintiffs are limited to a maximum of \$300,000 per person and \$2,000,000 per occurrence in these two areas. The City has retained the risk for these amounts and the deductibles on commercial insurance for other risks of loss. Settled claims have not exceeded commercial insurance coverage for the past three years.

The claims liability for the Fund, which includes an estimate of claims incurred but not reported (IBNR), totaled \$1,503,620 and \$1,132,960 as of April 30, 2008 and 2007, respectively. The IBNR was determined based upon historical claims experience.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
FYE08	\$1,132,960	\$1,160,260	\$(789,600)	\$1,503,620
FYE07	\$ 843,600	\$ 965,596	\$(676,236)	\$1,132,960

Note 8. UNAMORTIZED BOND DISCOUNT, PREMIUM, AND DEFERRED REFUNDING CHARGE

Unamortized bond discount, premium, and deferred refunding charges at April 30, 2008 and 2007 are as follows:

	<u>FYE07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amortization</u>	<u>FYE08</u>
Unamortized bond discount	\$1,232,787	\$ -	\$ -	\$ (76,341)	\$1,156,446
Unamortized bond premium	(4,025,939)	-	-	655,329	(3,370,610)
Deferred charge on refunding	2,447,454	-	-	(615,164)	1,832,290
Total	\$ (345,698)	\$ -	\$ -	\$(36,176)	\$(381,874)

	<u>FYE06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amortization</u>	<u>FYE07</u>
Unamortized bond discount	\$1,309,129	\$ -	\$ -	\$(76,342)	\$1,232,787
Unamortized bond premium	(4,681,267)	-	-	655,328	(4,025,939)
Deferred charge on refunding	3,062,617	-	-	(615,163)	2,447,454
Total	\$ (309,521)	\$ -	\$ -	\$(36,177)	\$(345,698)

Note 9. BONDS OUTSTANDING AND RESTRICTED ASSETS

Bonds outstanding

Bonds outstanding in the Fund at April 30, 2008 and 2007 are as follows:

Series	Type	Coupon Range (%)	Original Issuance	Yield Range (%)	Final Maturity	FYE08 Balance	FYE07 Balance
1997A	GARB	5.30 - 5.50	\$ 29,495,000	5.30 - 5.55	Sep 2014	\$ 29,495,000	\$ 29,495,000
1999	GARB	5.00 - 5.25	35,260,000	3.80 - 5.15	Sep 2008	1,355,000	6,405,000
2001	PFC	5.00 - 5.00	140,000,000	3.23 - 5.32	Apr 2026	117,265,000	121,400,000
2003A	GARB	5.75 - 4.75	76,955,000	2.75 - 4.75	Sep 2027	76,955,000	76,955,000
2003B	GARB	5.375 - 4.25	53,055,000	4.12 - 4.39	Sep 2018	53,055,000	53,055,000
2004E	GARB	3.50 - 5.25	25,835,000	2.00 - 4.27	Sep 2012	24,035,000	24,665,000
2005C ²	CFC	5.00 - 5.25	57,020,000	4.25 - 5.40	Sep 2020	54,005,000	57,020,000
2005H ³	GARB	4.00 - 5.00	19,615,000	3.55 - 4.00	Sep 2010	14,485,000	16,995,000
						<u>370,650,000</u>	<u>385,990,000</u>
						(18,395,000)	(15,340,000)
						<u>\$352,255,000</u>	<u>\$370,650,000</u>

Less current portion

² The 2005C Series bonds was a subordinated taxable issue.

³ The 2005H Series bonds refunded the 1995A series bonds.

Changes in bonds payable in FYE08 and FYE07 are as follows:

	FYE08	FYE07
Beginning balance	\$385,990,000	\$397,995,000
Less principal payments	(15,340,000)	(12,005,000)
Total bonds payable	370,650,000	385,990,000
Less current payable	(18,395,000)	(15,340,000)
Total long term bonds payable	<u>\$352,255,000</u>	<u>\$370,650,000</u>

The annual requirements to retire the bonds outstanding as of April 30, 2008 are as follows:

	Principal	Interest	Total
FYE09	\$ 18,395,000	\$ 18,117,444	\$ 36,512,444
FYE10	19,035,000	17,172,364	36,207,364
FYE11	18,750,000	16,208,614	34,958,614
FYE12	19,665,000	15,244,960	34,909,960
FYE13	20,375,000	14,264,164	34,639,164
FYE14-18	138,415,000	51,774,034	190,189,034
FYE19-23	82,660,000	22,617,231	105,277,231
FYE24-28	53,355,000	5,973,869	59,328,869
Total	<u>\$370,650,000</u>	<u>\$161,372,680</u>	<u>\$532,022,680</u>

Note 9. BONDS OUTSTANDING AND RESTRICTED ASSETS, continued**Restricted assets**

Restricted accounts and special reserves as required by bond ordinances are reported on the accompanying statements of net assets as restricted assets and are as follows at April 30, 2008 and 2007:

<u>Account</u>	Restricted <u>Assets</u>	Net Assets <u>Restricted</u>
Bond reserve for senior and subordinate GARBs	\$ 8,437,000	\$ 71,138
Airline operations and maintenance reserve	11,913,719	12,989,518
Deferred maintenance reserve	750,000	750,000
Principal and interest for senior and subordinate GARBs	19,404,675	19,404,675
Drug Enforcement Agency	60,942	60,942
Richards-Gebaur proceeds	13,430,179	-
Passenger facility charge	34,304,694	34,304,694
Customer facility charge	6,945,959	6,945,959
Other restricted	4,392,659	-
Interest receivable	814,476	-
Total at April 30, 2008	\$ 100,454,303	\$ 74,526,926
Total at April 30, 2007	\$77,703,010	\$ 60,094,409

Under the terms of various ordinances enacted at issuance of revenue bonds, the Fund must maintain adequate insurance coverage, rates and fees sufficient to pay reasonable and proper operating and maintenance expenses and scheduled debt service requirements. The ordinances also establish priorities for the allocation of revenues. After meeting normal operating and maintenance expenses, all remaining monies are to be allocated to the following accounts in the order listed on the next page.

At April 30, 2008 and 2007, the Fund was in compliance with the provisions of the ordinances relating to the maintenance of restricted accounts and special reserves and coverage requirements. Resources received with purpose restrictions are shown as restricted until the resources are used for the specified purpose.

Pledged Revenues

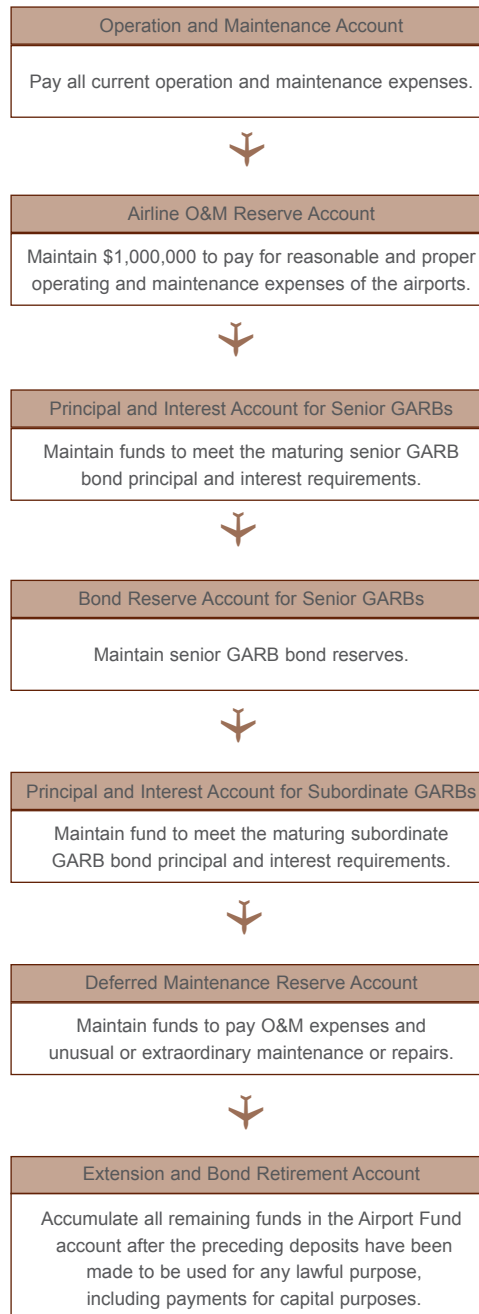
The \$199,380,000 of outstanding GARB bonds and the interest thereon are payable solely from the revenues derived from airport operations and have a first lien on these airport operation revenues. The GARB bonds were issued to fund all or a portion of the costs of constructing and rehabilitating general airport facilities, including but not limited to terminal buildings, ramps, runways, taxiways, and parking facilities. The FY08 and FY07 annual principal and interest payments on these bonds were 15.0% and 16.6% of the total revenues, respectively. The outstanding principal and interest requirements through maturity total \$277,909,291 and it is anticipated the remaining annual debt service payments will be between 15.0% and 18.0% of annual revenues.

The \$ 54,005,000 of outstanding CFC bonds and the interest thereon are also payable solely from the revenues derived from airport operations but are junior and subordinate with respect to the payment of principal and interest from the airport operation revenues and in all other respects to the outstanding senior GARB bonds. The CFC bonds were issued to fund the costs of constructing a consolidated rental car facility. The FY08 and FY07 annual principal and interest payments on these subordinate bonds, excluding the GARB debt service requirements, were 4.8% and 2.6% of the total revenues, respectively. The outstanding principal and interest requirements through maturity total \$73,734,888 and it is anticipated the remaining annual debt service payments on these subordinate bonds will be between 3.5% and 6.0% of annual revenues.

The \$117,265,000 of outstanding PFC bonds issue and the interest thereon are payable solely from PFC revenues generated from the operation of the airport. These bonds are not secured by any other revenues of the airport. The PFC bonds were issued to fund a portion of the costs of constructing and rehabilitating the airport terminals. The FY08 and FY07 annual principal and interest payments on these bonds were 42.8% and 42.5% of the total PFC revenues, respectively. The outstanding principal and interest requirements through maturity total \$180,378,500 and it is anticipated the remaining annual debt service payments will be between 40.5% and 44.0% of annual PFC revenues.

Note 9. BONDS OUTSTANDING AND RESTRICTED ASSETS, continued

Ordinances establish the priorities for the allocation of revenues and said allocation is to the following accounts in the order listed below:



Note 10. LEGAL DEBT MARGIN

The Fund computes its legal debt margin for general obligation bonds ordinary indebtedness and additional indebtedness based on Sections 26(b) to (c) and 26(d) to (e), respectively, of the State Constitution of Missouri. The bonds issued for aviation purposes and subject to these financial statements are not subject to the legal debt margin of those State Constitution sections. Therefore, no legal debt margin computation is made for the bonds issued for aviation purposes.

Voted Authority for Issuance

On August 2, 1988, the City held an election at which the qualified voters of the City approved the City's issuance of up to \$330,000,000 principal amount of airport revenue bonds to be payable solely from the revenues derived by the City from the operation of its airports, including all future improvements and extensions thereto, for the purpose of paying the cost of extending and improving the airports owned and operated by the City, including runways, terminal buildings and related facilities. On August 8, 2000, the voters approved an additional \$395,000,000 of airport revenue bonds for improvements at the airports. As of April 30, 2008, the City has issued \$330,000,000 of general airport revenue bonds payable from the 1988 authorization and \$154,584,105 of the 2000 authorization. This exhausts the 1988 authorization and leaves \$240,415,895 available from the 2000 authorization. The City intends to issue the balance of the authorization in future financing.

Note 11. PASSENGER FACILITY CHARGES

In 1990, the United States Congress enacted the Aviation Safety and Capacity Expansion Act ("ASCEA") of 1990, which allows public agencies controlling commercial service airports to charge eligible enplaning passengers at the airport a \$1, \$2, or \$3 passenger facility charge, or PFC. In 2000, the U.S. Congress passed the Aviation Investment and Reform Act for the 21st Century ("AIR-21"), which allowed airports to levy a PFC of \$4.00 or \$4.50 per eligible enplaned passenger. In 2003, the Century of Flight Authorization Act of 2003, Public Law 108-176 ("Vision 100") was signed into law. Vision 100 extends the Airport Improvement Program ("AIP") through September 30, 2007.

The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

Since the ASCEA authorization, the Fund has submitted a total of five applications. As of June 2005, approval was granted to increase the PFC collection rate from \$3.00 to \$4.50 per eligible enplaning passenger. As of July 2006, the Fund received approval from the Federal Aviation Administration (FAA) for new projects increasing collection authority to \$425,018,863.

Note 12. USE and LEASE AGREEMENTS

The Fund has a four year Use and Lease Agreement (Agreement) with certain air carriers serving MCI (signatory carriers) effective through April 30, 2009. Pursuant to the Agreement, signatory air carriers have agreed to a guaranteed minimum amount of rentals and fees based on expected levels of use of airport facilities. Further, the Agreement provides the determination for the landing fees and apron, terminal and passenger boarding rents at MCI along with granting certain rights and privileges to air carriers, both passenger and cargo. The Agreement provides for an annual settlement, post fiscal year end close, whereby the rates and charges are recalculated using audited financial statements to determine any airline over/under payment. For the years ended April 30, 2008 and 2007, \$(27,191) and \$101,556, respectively, was due from (to) the airlines.

Note 12. USE and LEASE AGREEMENTS, continued

Minimum future rentals scheduled to be received on operating leases that have initial or remaining noncancelable terms in excess of one year for each of the next five years and thereafter at April 30, 2008 are as follows:

	Amount
FYE09	\$ 9,604,079
FYE10	8,796,528
FYE11	8,099,583
FYE12	6,785,258
FYE13	6,768,065
FYE14-18	32,631,418
FYE19-23	26,935,472
FYE24-28	19,885,556
FYE29-33	11,986,061
FYE34-38	7,643,465
FYE39-43	5,355,006
FYE44-48	5,355,006
FYE49-53	2,856,003
Total	<u>\$152,701,500</u>

Note 13. RICHARDS-GEBAUR FACILITY

On June 27, 2007, the City sold the former Richards-Gebaur Air Force Base to the Port Authority of Kansas City (the Authority) for \$10.6 million resulting in a gain on sale of \$1.1 million. Proceeds from the sale are restricted and will be utilized for capital improvements at the Downtown Airport or at MCI. The sale terminates the City's obligations of the Memorandum Of Agreement with the Federal Aviation Administration and the operating lease with the Authority.

Note 14. BANKRUPTCY

Voluntary petition activities for U.S. Bankruptcy Chapter 11 proceedings are as follows:

<u>Airline</u>	<u>File Date</u>	<u>Emergence Date</u>	<u>Prepetition Amount Owed</u>
Northwest Airlines*	September 14, 2005	May 31, 2007	\$ 157,910
Kitty Hawk Air Cargo, Inc.	October 15, 2007		\$ 18,296
ATA American Trans Air	April 2, 2008		\$ 3,569
Skybus	April 5, 2008		\$ 19,352
Frontier Airlines*	April 10, 2008		\$ 150,534

*Throughout the above periods while these airlines were in Chapter 11 of the U.S. Bankruptcy Code, they continued to operate at MCI.

Note 15. EMPLOYEE RETIREMENT PLAN

The board of trustees of the Employees' Retirement System of the City of Kansas City, Missouri (the Board) administers the Employees' Retirement System of the City (the Employees' Plan), a contributory, single-employer, defined benefit public employee retirement plan. The Board is responsible for establishing and amending plan provisions. The Board issues publicly available financial reports that include financial statements and required supplementary information for the Employees' Plan. The financial reports may be obtained by writing to The Retirement Division of the City of Kansas City, Missouri, 12th Floor, City Hall, 414 East 12th Street, Kansas City, Missouri 64106, or by calling (816) 513-1928.

The Employees' Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The employer contributions are established by the Board. Level percentages of payroll employer contribution rates are determined using the individual entry age normal method.

As a condition of participation in the Employees' Plan, members are required to contribute four percent of their salary to the Employees' Plan. The Fund contributes the balance required to pay pensions and maintain the system on an actuarially sound basis. The Fund contributed the required amount for each of the past three years.

The city-wide pension plan summary for the last three fiscal years is as follows:

	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded (Unfunded) Actuarial Liability</u>
FYE08	\$ 823,014,181	\$ 847,393,167	\$(24,378,986)
FYE07	745,720,993	800,839,808	(55,118,815)
FYE06	645,609,869	781,899,987	(136,290,118)

A summary of the Department's participation in the pension plan based on payroll percentages for the above fiscal years is as follows:

	<u>Annual Required Contribution (ARC)</u>	<u>Pension Plan Contributions</u>	<u>Percent Contributed</u>
FYE08	\$1,708,577	\$2,114,643	123.8%
FYE07	1,881,090	1,910,424	101.6%
FYE06	2,658,428	1,796,099	67.6%

Note 16. OTHER POST EMPLOYMENT BENEFITS

In accordance with Government Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, (GASB 45) other post employment benefits (OPEB) are recorded in the financial statements as non-current accrued payroll on the statements of net assets and are included as an operating expense in salaries, wages and employee benefits on the statements of revenues, expenses and changes in net assets.

Plan Descriptions

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees' and their dependents, including medical, dental and vision coverage. The City requires the retirees to pay 100% of the same medical premium charged to active participants. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered OPEB under GASB 45.

Note 16. OTHER POST EMPLOYMENT BENEFITS, continued

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age or dies.

Funding Policy

GASB 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation.

The Employee/Firefighter annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2006	\$16,016,813	13.11%	\$13,916,271

Funded Status and Funding Progress

As of April 30, 2006, the most recent (initial) actuarial valuation date, the OPEB plan was 0.0% funded. The actuarial accrued liability for benefits was \$150.4 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$150.4 million.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress is presented in the City's comprehensive annual financial report as required supplementary information following the notes to the financial statements and presents multi-year trend information over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 16. OTHER POST EMPLOYMENT BENEFITS, continued

In the April 30, 2006, actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets (of which there are none) and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after eleven years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2006 was thirty years.

	City of KCMO	Aviation Dept
Annual required contribution (ARC)	\$ 16,016,813	\$1,082,906
Contributions made:		
Net employer contributions	<u>2,100,542</u>	<u>142,019</u>
Change in net OPEB obligation	13,916,271	940,887
Net OPEB obligation, April 30, 2007	<u>-</u>	<u>-</u>
Net OPEB obligation, April 30, 2008	<u>\$13,916,271</u>	<u>\$ 940,887</u>

Note 17. NET ASSETS

Invested in capital assets, net of related debt at April 30, 2008 and 2007 are as follows:

	FYE08	FYE07
Capital assets:		
Land	\$ 37,861,553	\$ 39,048,329
Construction in progress	32,723,518	21,619,021
Buildings	573,153,803	549,902,706
Infrastructure	441,756,762	441,980,050
Equipment	<u>89,546,395</u>	<u>87,547,329</u>
	1,175,042,031	1,140,097,435
Less accumulated depreciation	<u>(503,049,149)</u>	<u>(463,184,462)</u>
Capital assets, net	671,992,882	676,912,973
Bond issuance costs, net	<u>3,527,803</u>	<u>3,885,351</u>
Total capital assets	675,520,685	680,798,324
Less: related liabilities		
Current portion, bonds payable	18,395,000	15,340,000
Bonds payable, net of premium, discount, and unspent proceeds	<u>344,271,011</u>	<u>355,198,530</u>
Total liabilities	<u>362,666,011</u>	<u>370,538,530</u>
Invested in capital assets, net of related debt	<u>\$312,854,674</u>	<u>\$ 310,259,794</u>

Note 17. NET ASSETS, continued

Restricted net assets at April 30, 2008 and 2007 are as follows:

	FYE08	FYE07
Restricted assets:		
Cash and cash equivalents	\$ 12,175,214	\$ 5,237,957
Investments	83,071,953	67,892,873
Accounts and interest receivable, restricted	5,207,135	4,572,180
	<u>100,454,302</u>	<u>77,703,010</u>
Less liabilities from restricted assets		
Accounts and retainages payable	1,644,064	3,885,740
Debt related to unspent bond proceeds	21,692,366	11,025,492
Accrued interest and fiscal agent fees	2,590,946	2,697,369
	<u>25,927,376</u>	<u>17,608,601</u>
Restricted net assets	<u>\$ 74,526,926</u>	<u>\$ 60,094,409</u>

Note 18. SUBSEQUENT EVENTS

In September 2008 the City of Kansas City, Missouri, Aviation Department issued \$28.6 million in general improvement airport refunding revenue bonds. These bonds will refund the airport's outstanding Series 1997A bonds generating an accounting gain of \$2.2 million and an economic gain of \$1.9 million. The outstanding balance on the refunded bonds was \$29,495,000.

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STATISTICAL SECTION

FINANCIAL TREND INFORMATION

THESE SCHEDULES CONTAIN TREND INFORMATION TO SHOW HOW THE DEPARTMENT'S FINANCIAL PERFORMANCE HAS CHANGED OVER TIME.

- Schedule of Historical Net Assets and Cash Flows Information
- Schedule of Historical Revenues and Expenses
- Schedule of Statements of Cash Flows
- Schedule of Unrestricted and Restricted Cash and Investments

REVENUE CAPACITY INFORMATION

THESE SCHEDULES CONTAIN INFORMATION TO ASSESS THE DEPARTMENT'S MOST SIGNIFICANT REVENUE SOURCES.

- Schedule of Revenues, Expenses and Changes in Fund Net Assets by Facility
- Schedule of Grants
- Schedule of Highest Paying Customers
- Schedule of Most Popular Destinations
- Schedule of Non-Stop Destinations
- Schedule of Passenger and Cargo Airlines
- Schedule of Airline Service

DEBT CAPACITY INFORMATION

THESE SCHEDULES PRESENT INFORMATION REGARDING THE DEPARTMENT'S CURRENT LEVELS OF OUTSTANDING DEBT AND ITS ABILITY TO ISSUE ADDITIONAL DEBT IN THE FUTURE. THE TABLES REPRESENT CONTINUING DISCLOSURE SCHEDULES REQUIRED BY BOND ORDINANCES.

- Schedule of Ratios of Outstanding Debt, Debt Service, and Debt Limits
- Table VI-11—Schedule of Historical GARB Debt Service Coverage
- Table IV-1—Schedule of Annual Passenger Enplanements
- Table IV-3—Schedule of Monthly Enplanements
- Table IV-3B—Schedule of Changes in Monthly Enplanements Vs. U.S. Domestic Monthly Enplanements
- Table IV-5—Schedule of Airlines Market Share
- Table IV-7—Schedule of MCI Aircraft Operations
- Table IV-9—Schedule of Enplaned Cargo
- Table IV-8a—Schedule of Commercial Aircraft Landed Weight by Airline
- Table IV-8b—Schedule of Commercial Aircraft Landings
- Table V-6—Schedule of Annual Parking Revenue by Facility
- Table VI-10—Schedule of Historical Airline Cost Per Enplaned Passenger
- Table VI-2—Schedule of Total Airport System Revenue and Expenses
- Table VI-3—Schedule of Historical Operating and Maintenance Expenses
- Table VI-5—Schedule of Historical Revenues
- Table VI-13—Schedule of PFC Revenues
- Table VI-14—Schedule of PFC Bond Sufficiency Covenant

DEMOGRAPHIC AND ECONOMIC INFORMATION

THESE SCHEDULES OFFER DEMOGRAPHIC AND ECONOMIC INDICATORS TO HELP UNDERSTAND THE ENVIRONMENT WITHIN WHICH THE DEPARTMENT'S FINANCIAL ACTIVITIES TAKE PLACE.

- Schedule of Population
- Schedule of Principal Employers

OPERATING INFORMATION

THESE SCHEDULES CONTAIN SERVICE AND INFRASTRUCTURE INFORMATION TO HELP UNDERSTAND HOW THE INFORMATION IN THE DEPARTMENT'S FINANCIAL REPORT RELATES TO THE SERVICES THE DEPARTMENT PROVIDES AND THE ACTIVITIES IT PERFORMS.

- Schedule of Rates and Charges
- Schedule of Facility Information
- Schedule of Department of Aviation Operating Expenditures by Division
- Schedule of Department Full-Time and Equivalent Employees by Division
- Schedule of Assets Capitalized
- Schedule of Construction in Progress

SCHEDULE OF HISTORICAL NET ASSETS AND CASH FLOW INFORMATION
FOR THE LAST TEN FISCAL YEARS

	FYE1999	FYE2000	FYE2001
Statement of net assets:			
Current assets—unrestricted	\$ 30,319,143	\$143,965,136	\$161,646,608
Current assets—restricted	143,061,612	35,108,721	37,285,843
Non-current—investments ⁽¹⁾	-	-	-
Non-current—capital	489,013,372	494,881,394	535,827,948
Non-current—construction in progress	60,828,209	80,468,160	97,242,089
Non-current—accumulated depreciation	(226,889,575)	(245,330,844)	(263,913,086)
Non-current—bond issue costs	783,577	831,634	699,061
Due from other funds	1,383,789	3,984,106	-
Total assets	\$498,500,127	\$513,908,307	\$568,788,463
Current liabilities ⁽¹⁾	\$ 9,031,037	\$ 8,497,440	\$ 14,527,635
Current liabilities from restricted assets	9,142,506	8,535,982	9,815,711
Long-term liabilities ⁽¹⁾	135,253,145	130,725,091	127,932,228
Total liabilities	153,426,688	147,758,513	152,275,574
Contributed capital	136,059,350	132,159,930	141,085,580
Retained earnings	209,014,089	233,989,864	275,427,309
Invested in capital assets, net of related debt	-	-	-
Restricted net assets	-	-	-
Unrestricted net assets	-	-	-
Total retained earnings/net assets	345,073,439	366,149,794	416,512,889
Total liabilities and net assets	\$498,500,127	\$513,908,307	\$568,788,463
Cash flow information:			
Operating profit before depreciation and amortization	\$ 22,961,708	\$ 26,576,275	\$ 25,805,967
Depreciation and amortization	17,840,736	21,105,183	21,682,523
Total operating profit	\$ 5,120,972	\$ 5,471,092	\$ 4,123,444
Capital contributions	\$ 13,455,399	\$ 2,729,040	\$ 15,518,707
Capital acquisitions	42,504,755	30,397,438	57,073,651

⁽¹⁾Reclassifications have been made to FYE2007 to conform to the FYE2008 presentation.

FYE2002	FYE2003	FYE2004	FYE2005	FYE2006	FYE2007	FYE2008
\$165,960,388	\$181,503,411	\$130,027,638	\$127,418,350	\$139,861,105	\$31,608,842	\$38,123,042
121,391,304	156,966,757	116,800,168	134,922,524	107,190,328	17,166,424	31,318,394
-	-	-	-	-	163,485,355	149,484,741
621,741,794	628,519,098	688,689,883	957,419,659	977,276,265	1,118,478,414	1,142,318,513
101,091,962	203,993,645	251,419,111	34,141,629	82,488,938	21,619,021	32,723,518
(284,365,891)	(310,824,361)	(339,044,701)	(377,674,731)	(411,068,019)	(463,184,462)	(503,049,149)
1,919,483	3,545,377	3,369,302	4,564,350	4,242,900	3,885,351	3,527,803
-	-	-	-	-	-	-
<u>\$727,739,040</u>	<u>\$863,703,927</u>	<u>\$851,261,401</u>	<u>\$880,791,781</u>	<u>\$899,991,517</u>	<u>\$893,058,945</u>	<u>\$894,446,862</u>
\$ 24,040,441	\$ 24,959,258	\$ 12,846,116	\$ 11,704,215	\$ 19,334,408	\$15,549,860	\$16,817,658
14,807,598	19,719,614	19,152,546	17,652,267	19,813,364	22,222,482	22,929,383
<u>257,940,000</u>	<u>375,206,326</u>	<u>364,279,437</u>	<u>400,557,168</u>	<u>386,299,521</u>	<u>374,171,855</u>	<u>357,362,142</u>
<u>296,788,039</u>	<u>419,885,198</u>	<u>396,278,099</u>	<u>429,913,650</u>	<u>425,447,293</u>	<u>411,944,197</u>	<u>397,109,183</u>
134,462,070	-	-	-	-	-	-
296,488,931	-	-	-	-	-	-
-	235,285,763	271,378,585	283,935,071	295,181,540	310,259,794	312,854,674
-	56,830,152	59,359,396	42,686,420	61,683,791	60,094,409	74,526,926
-	151,702,814	124,245,321	124,256,640	117,678,893	110,760,545	109,956,079
<u>430,951,001</u>	<u>443,818,729</u>	<u>454,983,302</u>	<u>450,878,131</u>	<u>474,544,224</u>	<u>481,114,748</u>	<u>497,337,679</u>
<u>\$727,739,040</u>	<u>\$863,703,927</u>	<u>\$851,261,401</u>	<u>\$880,791,781</u>	<u>\$899,991,517</u>	<u>\$893,058,945</u>	<u>\$894,446,862</u>
\$ 14,169,532	\$ 16,920,214	\$ 20,162,013	\$ 20,447,992	\$ 20,324,177	\$ 23,972,740	26,169,375
<u>22,735,719</u>	<u>27,292,927</u>	<u>28,610,026</u>	<u>38,937,910</u>	<u>49,621,125</u>	<u>53,944,639</u>	<u>58,029,996</u>
<u>\$(8,566,187)</u>	<u>\$(10,372,713)</u>	<u>\$(8,448,013)</u>	<u>\$(18,489,918)</u>	<u>\$(29,296,948)</u>	<u>\$(29,971,899)</u>	<u>\$(31,860,621)</u>
\$ 13,307,685	\$ 9,557,005	\$ 3,279,074	\$ 5,700,284	\$ 33,094,115	\$ 18,567,862	\$ 18,282,279
92,012,560	110,379,572	96,872,489	47,018,293	85,349,215	81,866,913	60,600,862

SCHEDULE OF HISTORICAL REVENUES AND EXPENSES
FOR THE LAST TEN FISCAL YEARS

	FYE1999	FYE2000	FYE2001
Operating revenues:			
Terminal and aprons	\$ 9,179,225	\$ 9,401,496	\$ 9,630,210
Airfield	10,912,386	9,750,600	9,919,277
Parking ⁽¹⁾	-	-	32,773,679
Rental car ⁽¹⁾	-	-	7,773,929
Transportation facility charge	-	-	-
Concessions ⁽¹⁾	-	-	3,740,279
Parking and concessions ⁽¹⁾	42,150,141	43,873,844	-
Property rentals	4,478,829	4,576,828	5,630,947
Other	93,908	32,009	143,254
Total operating revenues	66,814,489	67,634,777	69,611,575
Non-operating revenues:			
Earnings on cash and investments	9,134,514	7,486,337	14,711,152
Passenger facility charge	15,752,125	16,409,710	17,207,518
Customer facility charge	-	-	1,776,234
Operating/Federal grant	108,292	46,883	123,049
Other income	79,291	-	1,463,226
Total non-operating revenues	25,074,222	23,942,930	35,281,179
Capital contributions	-	-	-
Total revenue	91,888,711	91,577,707	104,892,754
Operating expenses:			
Salaries, wages and employee benefits	17,105,678	18,108,645	18,292,675
Contractual services	13,945,951	18,855,000	20,486,708
Commodities	12,583,113	4,005,745	4,940,937
Other	218,039	89,112	85,288
Total operating expense	43,852,781	41,058,502	43,805,608
Non-cash expenses:			
Depreciation	17,779,943	21,075,416	21,632,145
Amortization	60,793	29,767	50,378
Total non-cash expenses	17,840,736	21,105,183	21,682,523
Non-operating expenses:			
Interest expense	9,522,835	8,919,383	8,428,713
Other expense	-	2,147,324	-
Total non-operating expenses	9,522,835	11,066,707	8,428,713
Total expense	71,216,352	73,230,392	73,916,844
Change in net assets	\$20,672,359	\$18,347,315	\$30,975,910

⁽¹⁾During the years FYE95 through FYE00 parking, rental car, and concession revenues were all included in parking and concessions revenues.

FYE2002	FYE2003	FYE2004	FYE2005	FYE2006	FYE2007	FYE2008
\$10,894,533	\$ 9,573,569	\$ 9,302,622	\$ 9,356,744	\$ 10,952,845	\$ 10,901,852	\$12,426,693
9,533,402	10,204,660	10,228,110	10,038,968	11,662,094	13,017,560	13,899,348
29,791,619	31,869,141	33,293,350	34,609,225	35,769,941	40,032,941	44,007,005
7,238,643	7,290,691	7,864,913	7,829,509	8,372,860	8,817,410	10,695,864
-	-	-	-	1,760,366	4,296,620	4,540,222
2,855,587	2,248,520	2,044,290	3,110,624	3,796,773	3,639,827	3,658,952
-	-	-	-	-	-	-
6,095,620	6,201,322	6,353,902	5,813,881	7,928,682	14,381,823	14,020,277
810,837	663,543	286,530	160,011	136,258	367,018	858,121
<u>67,220,241</u>	<u>68,051,446</u>	<u>69,373,717</u>	<u>70,918,962</u>	<u>80,379,819</u>	<u>95,455,051</u>	<u>104,106,482</u>
9,725,987	9,171,250	4,879,174	3,188,810	7,396,189	11,906,515	12,677,561
16,134,494	13,686,560	13,879,589	13,655,542	20,252,999	24,097,730	23,822,136
6,186,432	5,792,046	5,886,939	5,976,731	6,147,691	6,456,360	6,809,736
1,223,993	3,022,340	936,958	136,058	130,359	168,117	185,220
-	163,840	187,230	614,809	210,810	377,681	2,923,404
<u>33,270,906</u>	<u>31,836,036</u>	<u>25,769,890</u>	<u>23,571,950</u>	<u>34,138,048</u>	<u>43,006,403</u>	<u>46,418,057</u>
9,118,124	7,450,857	3,258,011	5,816,648	40,897,885	11,915,287	20,731,257
<u>109,609,271</u>	<u>107,338,339</u>	<u>98,401,618</u>	<u>100,307,560</u>	<u>155,415,752</u>	<u>150,376,741</u>	<u>171,255,796</u>
20,509,676	22,365,738	21,120,771	22,168,647	24,007,384	25,022,038	27,455,554
27,350,108	23,004,062	25,474,042	25,680,324	33,071,060	42,447,274	46,220,645
5,082,986	5,663,077	2,616,891	2,621,999	2,977,198	4,012,999	4,260,908
107,939	98,355	-	-	-	-	-
<u>53,050,709</u>	<u>51,131,232</u>	<u>49,211,704</u>	<u>50,470,970</u>	<u>60,055,642</u>	<u>71,482,311</u>	<u>77,937,107</u>
22,630,206	27,159,055	28,400,493	38,649,530	49,267,402	53,587,091	57,672,448
105,513	133,872	209,533	288,380	353,723	357,548	357,548
<u>22,735,719</u>	<u>27,292,927</u>	<u>28,610,026</u>	<u>38,937,910</u>	<u>49,621,125</u>	<u>53,944,639</u>	<u>58,029,996</u>
12,280,379	15,698,287	9,324,298	14,675,769	19,186,893	18,105,307	18,883,496
7,104,353	348,165	91,017	328,082	2,885,999	273,960	182,266
<u>19,384,732</u>	<u>16,046,452</u>	<u>9,415,315</u>	<u>15,003,851</u>	<u>22,072,892</u>	<u>18,379,267</u>	<u>19,065,762</u>
<u>95,171,160</u>	<u>94,470,611</u>	<u>87,237,045</u>	<u>104,412,731</u>	<u>131,749,659</u>	<u>143,806,217</u>	<u>155,032,865</u>
<u>\$14,438,111</u>	<u>\$12,867,728</u>	<u>\$11,164,573</u>	<u>\$ (4,105,171)</u>	<u>\$ 23,666,093</u>	<u>\$ 6,570,524</u>	<u>\$16,222,931</u>

SCHEDULE OF STATEMENTS OF CASH FLOWS
FOR THE LAST TEN FISCAL YEARS

	FYE1999	FYE2000	FYE2001
Cash flows from operating activities:			
Cash received from providing services	67,805,189	67,516,406	67,620,687
Cash paid to employees, including benefits	(17,677,932)	(18,061,854)	(13,381,004)
Cash paid to suppliers	(30,898,523)	(23,540,628)	(23,967,309)
Cash provided by operating activities	19,228,734	25,913,924	30,272,374
Cash flows from non-capital financing activities:			
Proceeds from grants	108,292	46,883	123,049
Due other government	(71,704)	-	-
Due to other funds	45,274	95,914	36,109
Due from other funds	(50,320)	(2,600,317)	3,984,106
Cash provided by (used in) non-capital financing activities	31,542	(2,457,520)	4,143,264
Cash flows from capital and related financing activities:			
Paid debt issue costs	-	(182,154)	-
Acquisition and construction of capital assets	(42,504,755)	(30,397,438)	(57,073,651)
Purchase of capital assets	-	-	-
Construction of capital assets	-	-	-
Construction contract retainage	(2,884,126)	(1,288,262)	847,292
Matured coupons	-	-	-
Proceeds from capital debt	-	35,729,976	-
Capital debt refunded	-	(33,799,483)	-
Principal paid on capital debt	(4,295,000)	(5,270,000)	(6,100,000)
Interest paid on capital debt	(9,098,014)	(8,583,183)	(7,904,723)
Passenger facility charges	15,803,805	16,182,436	16,985,722
Customer facility charges	-	-	1,252,625
Proceeds from sales of capital assets	678,508	79,393	77,227
Capital contributed by federal government	13,455,399	2,729,040	15,518,707
Payment to extinguish special facility lease	-	-	-
Legal settlement	-	-	1,533,608
Other	-	-	-
Cash provided by (used in) capital and related financing activities	(28,844,183)	(24,799,675)	(34,863,193)
Cash flows from investing activities:			
Purchase of investments ⁽¹⁾	-	-	-
Proceeds from sales and maturities of investments ⁽¹⁾	-	-	-
Interest received	9,462,264	7,246,974	14,151,762
Cash provided by investing activities	9,462,264	7,246,974	14,151,762
Net increase (decrease) in cash and cash equivalents	(121,643)	5,903,703	13,704,207
Cash and cash equivalents at beginning of year	164,673,554	164,551,911	170,455,614
Cash and cash equivalents at end of year	\$164,551,911	\$170,455,164	\$184,159,821
Reconciliation to Statements of Net Assets:			
Cash and cash equivalents:			
Unrestricted	\$ 22,621,595	\$ 22,436,185	\$147,248,851
Restricted	141,930,316	148,019,429	36,910,970
Cash and cash equivalents at end of year	\$164,551,911	\$170,455,614	\$184,159,821

⁽¹⁾Reclassifications have been made to FYE2007 to conform to the FYE2008 presentation.

FYE2002	FYE2003	FYE2004	FYE2005	FYE2006	FYE2007	FYE2008
66,594,962	67,726,883	\$ 69,653,034	\$ 70,896,008	\$ 73,518,703	\$ 95,566,308	\$104,764,113
(17,841,488)	(22,801,455)	(20,930,841)	(21,967,293)	(23,009,718)	(24,436,847)	(26,407,171)
<u>(35,150,035)</u>	<u>(27,282,278)</u>	<u>(41,303,178)</u>	<u>(31,026,186)</u>	<u>(26,723,628)</u>	<u>(50,435,322)</u>	<u>(50,843,151)</u>
13,603,439	17,643,150	7,419,015	17,902,529	23,785,357	20,694,139	27,513,791
1,223,993	3,022,340	936,958	136,058	130,359	168,117	185,220
5,517,238	(5,517,238)	-	-	(136,491)	-	-
12,215	77,144	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,753,446</u>	<u>(2,417,754)</u>	<u>936,958</u>	<u>136,058</u>	<u>(6,132)</u>	<u>168,117</u>	<u>185,220</u>
(1,325,935)	(1,759,766)	(33,458)	(1,598,183)	(113,707)	-	-
(92,012,560)	(110,379,572)	-	-	-	-	-
-	-	(784,394)	(2,585,524)	(5,472,265)	(21,374,766)	(51,036,535)
-	-	(96,088,095)	(44,432,769)	(79,876,950)	(60,492,147)	(9,564,327)
480,273	3,214,902	214,828	(267,614)	(911,404)	1,533,484	(903,033)
-	-	37,573	-	-	-	-
140,187,992	132,941,887	-	84,261,051	20,211,081	-	-
-	-	-	(36,080,000)	(22,490,000)	-	-
(6,520,000)	(10,246,740)	(10,790,000)	(11,285,000)	(11,780,000)	(12,005,000)	(15,340,000)
(12,266,472)	(13,912,757)	(20,242,594)	(19,138,877)	(20,160,631)	(18,148,223)	(18,953,742)
16,373,775	13,686,560	13,879,589	13,655,542	20,252,999	24,154,914	23,822,136
6,120,618	5,792,046	5,886,939	5,976,731	6,147,691	6,405,410	6,809,736
43,626	-	96,213	384,465	331,929	49,261	10,626,548
13,307,685	9,557,005	3,279,074	5,700,284	33,094,115	18,567,862	18,282,279
(1,412,767)	-	-	-	-	-	-
-	-	-	-	-	-	-
(475,620)	(184,325)	-	-	-	-	-
<u>62,500,615</u>	<u>28,709,240</u>	<u>(104,544,325)</u>	<u>(5,409,894)</u>	<u>(60,767,142)</u>	<u>(61,309,205)</u>	<u>(36,256,938)</u>
-	-	-	-	-	(164,270,661)	(213,899,519)
-	-	-	-	-	184,452,920	213,940,650
7,820,499	10,563,390	5,299,647	5,334,602	7,007,378	13,634,760	10,167,544
<u>7,850,499</u>	<u>10,563,390</u>	<u>5,299,647</u>	<u>5,334,602</u>	<u>7,007,378</u>	<u>33,817,019</u>	<u>10,208,675</u>
90,677,999	54,498,026	(90,888,705)	17,963,295	(29,980,539)	(6,629,930)	1,650,748
184,159,821	274,837,820	329,335,846	238,447,141	256,410,436	20,584,247	13,954,317
<u>\$274,837,820</u>	<u>\$329,335,846</u>	<u>\$238,447,141</u>	<u>\$256,410,436</u>	<u>\$226,429,897</u>	<u>\$ 13,954,317</u>	<u>\$ 15,605,065</u>
\$155,209,797	\$173,626,211	\$125,868,377	\$124,182,308	\$124,978,593	\$ 8,716,360	\$ 3,429,851
119,628,023	155,709,635	112,578,764	132,228,128	101,451,304	5,237,957	12,175,214
<u>\$274,837,820</u>	<u>\$329,335,846</u>	<u>\$238,447,141</u>	<u>\$256,410,436</u>	<u>\$226,429,897</u>	<u>\$ 13,954,317</u>	<u>\$ 15,605,065</u>

SCHEDULE OF UNRESTRICTED AND RESTRICTED CASH AND INVESTMENTS
FOR THE LAST TEN FISCAL YEARS

	Unrestricted Cash and <u>Investments</u>	Restricted Passenger <u>Facility Charge</u>	Restricted Customer <u>Facility Charge</u>	Restricted DEA Forfeited <u>Property</u>	Restricted Richards- <u>Gebaur</u>
FYE1999	\$ 133,198,226	\$ -	\$ -	\$ 45,189	\$ -
FYE2000	138,678,554	3,995,990	-	114,395	-
FYE2001	147,248,851	-	1,279,740	115,335	6,639,703
FYE2002	155,209,796	8,809,380	6,659,616	104,373	5,034,134
FYE2003	173,626,211	13,503,621	12,339,400	123,724	2,504,857
FYE2004	125,868,377	13,528,927	17,928,526	55,054	3,764,239
FYE2005	124,182,309	11,635,032	9,398,371	84,563	4,906,580
FYE2006	124,978,593	19,895,495	13,443,851	190,316	5,232,465
FYE2007	124,643,863	19,419,271	16,734,497	193,832	2,998,500
FYE2008	106,564,680	34,304,694	6,945,959	60,942	13,430,179

<u>Restricted Airlines Operations and Maintenance</u>	<u>Restricted Deferred Maintenance and Replacement</u>	<u>Restricted Principal and Interest</u>	<u>Restricted Bond Reserve</u>	<u>Restricted Construction Proceeds</u>	<u>Restricted Other</u>	<u>Total Unrestricted and Restricted Cash and Investments</u>
\$ 1,000,000	\$ 5,380,296	\$ 5,003,521	\$13,443,446	\$ 6,215,170	\$ 266,063	\$164,551,911
1,000,000	750,000	5,408,592	14,176,000	6,053,201	278,882	170,455,614
1,725,534	4,158,593	5,639,649	14,776,000	2,274,074	302,343	184,159,822
1,000,000	750,000	8,176,953	15,275,500	73,506,105	311,962	274,837,819
1,000,000	750,000	13,837,907	15,275,500	96,048,330	326,297	329,335,847
1,951,189	6,410,983	10,821,389	15,275,500	42,509,427	333,530	238,447,141
1,996,607	6,560,207	8,789,141	10,875,500	77,640,831	341,295	256,410,436
3,998,071	750,000	8,958,129	8,437,000	40,545,977	-	226,429,897
6,154,472	750,000	11,011,952	8,437,000	7,431,306	-	197,774,693
11,913,719	750,000	19,404,675	8,437,000	-	-	201,811,847

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS BY FACILITY
FOR THE YEAR ENDING APRIL 30, 2008

	Kansas City International	Charles B. Wheeler Downtown	Richards- Gebaur	Total
Operating revenues:				
Terminal	\$ 12,426,693	\$ -	\$ -	\$ 12,426,693
Airfield fees	13,589,758	309,590	-	13,899,348
Parking	44,007,005	-	-	44,007,005
Auto rental	10,668,096	27,768	-	10,695,864
Transportation facility charges	4,540,222	-	-	4,540,222
Concessions	3,658,952	-	-	3,658,952
Property rental	11,589,359	2,325,783	105,135	14,020,277
Other	858,121	-	-	858,121
Total operating revenues	101,338,206	2,663,141	105,135	104,106,482
Operating expenses:				
Salaries, wages, and employee benefits	26,649,904	805,650	-	27,455,554
Contractual services	45,395,514	818,229	6,902	46,220,645
Commodities	4,084,380	176,528	-	4,260,908
Total operating expenses	76,129,798	1,800,407	6,902	77,937,107
Total operating income before depreciation and amortization	25,208,408	862,734	98,233	26,169,375
Non cash operating expenses:				
Depreciation	55,912,841	1,629,438	130,169	57,672,448
Amortization	357,548	-	-	357,548
Total non cash operating expenses	56,270,389	1,629,438	130,169	58,029,996
Total operating income (loss)	(31,061,981)	(766,704)	(31,936)	(31,860,621)
Non-operating revenues:				
Earnings on cash and investments	12,090,779	-	586,782	12,677,561
Passenger facility charge	23,822,136	-	-	23,822,136
Customer facility charge	6,809,736	-	-	6,809,736
Operating grant revenue	185,220	-	-	185,220
Other	1,795,897	-	1,127,507	2,923,404
Total non-operating revenues	44,703,768	-	1,714,289	46,418,057
Non-operating expense:				
Interest	18,883,496	-	-	18,883,496
Other	130,132	-	52,134	182,266
Total non-operating expense	19,013,628	-	52,134	19,065,762
Total non-operating income	25,690,140	-	1,662,155	27,352,295
Net income (loss) before capital contributions	(5,371,841)	(766,704)	1,630,219	(4,508,326)
Capital contributions	20,216,586	514,671	-	20,731,257
Changes in net assets	\$ 14,844,745	\$ (252,033)	\$ 1,630,219	\$16,222,931

SCHEDULE OF GRANTS

Grant Number	Location	Description	Maximum Balance	FYE08 Revenue	Executed	Status
Capital Grant Revenue:						
AIP 3-29-0041-13	MKC	Rwy 1/19 safety area extension	\$ 522,896	\$ 108,884	FYE04	Open
AIP-3-29-0041-14	MKC	Rehabilitate runway 1/19 (Phase I)	7,650,000	-	FYE05	Closed FYE07
AIP 3-29-0041-15	MKC	Rehabilitate runway and airfield lighting	5,415,000	-	FYE05	Closed FYE07
AIP 3-29-0041-16	MKC	Rehabilitate runway and airfield lighting	1,100,000	-	FYE06	Closed FYE07
AIP 3-29-0041-17	MCI	Rehabilitate runway 3/21	4,000,000	405,787	FYE08	Open
AIP 3-29-0040-37	MCI	Security enhancements	8,864,132	-	FYE03	Closed FYE07
AIP 3-29-0040-38	MCI	Emergency airfield generator	1,419,276	-	FYE04	Closed FYE07
AIP 3-29-0040-41	MCI	Acquire two ARFF vehicles	1,346,426	-	FYE04	Closed FYE07
AIP 3-29-0040-42	MCI	Security enhancements - holdroom	517,194	-	FYE04	Closed FYE07
AIP 3-29-0040-43	MCI	Security enhancements - terminal	15,000,000	6,148,685	FYE04	Open
AIP 3-29-0040-44	MCI	Rehabilitate apron (Ph IX), security enh.	6,419,446	552,527	FYE05	Open
AIP 3-29-0040-45	MCI	Extend taxiway B, D, and M	6,985,000	-	FYE05	Open
AIP 3-29-0040-47	MCI	Airfield lighting and glycol recovery	7,464,005	2,092,494	FYE05	Open
AIP 3-29-0040-49	MCI	Snow removal equipment	2,250,000	1,270,667	FYE07	Open
AIP 3-29-0040-50	MCI	Noise compatibility	141,047	-	FYE07	Closed FYE07
AIP 3-29-0040-51	MCI	Rehabilitate taxiways L and M	3,240,745	451,117	FYE07	Open
AIP 3-29-0040-52	MCI	Cargo glycol collection system	4,463,462	1,123,275	FYE07	Open
AIP 3-29-0040-53	MCI	Apron lookback	2,747,048	2,747,048	FYE08	Open
AIP 3-29-0040-54	MCI	Noise compatibility	289,128	289,128	FYE08	Open
AIP 3-29-0040-55	MCI	Rehabilitate taxiways D, J, and K	7,590,000	<u>5,541,645</u>	FYE07	Open
Total Capital Grant Revenue				<u>\$20,731,257</u>		
Operating Grant Revenue:						
	MCI	TSA - Explosives Detection K-9 Team Prgm	150,500 ⁽¹⁾	\$ 115,591		
	MCI	DEA - Task Force Program		<u>69,629</u>		
Total Operating Grant Revenue				<u>\$ 185,220</u>		

⁽¹⁾ Maximum per Federal Fiscal Year October 1 through September 30

SCHEDULE OF HIGHEST PAYING CUSTOMERS

	FYE2005 ⁽¹⁾		FYE2006 ⁽²⁾		FYE2007 ⁽²⁾		FYE2008 ⁽²⁾	
	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount
Southwest Airlines	1	\$5,751,808	1	\$5,826,355	1	\$6,674,658	1	\$7,070,352
American Airlines	2	3,573,652	2	3,863,103	2	3,307,889	2	4,072,517
Midwest Express Airlines	6	2,043,120	4	2,296,561	3	2,853,057	3	3,520,033
Hertz Car Rental	3	2,715,287	3	2,303,147	4	2,439,401	4	3,254,911
Host International, Inc.	-	-	8	1,768,374	6	1,921,881	5	2,166,815
Avis Rent-A-Car	4	2,575,275	5	2,169,480	5	2,001,068	6	2,139,354
Vanguard Car Rental	7	1,967,296	7	1,821,328	8	1,627,084	7	2,102,129
Delta Airlines	5	2,312,019	6	1,834,106	7	1,748,786	8	1,688,873
Executive Beechcraft	-	-	10	1,584,246	11	1,469,770	9	1,659,689
Northwest Airlines	8	1,905,249	11	1,381,179	9	1,588,898	10	1,655,797
United Airlines	9	1,718,621	12	1,374,774	10	1,517,989	11	1,517,862
US Airways	11	1,323,884	14	1,283,125	14	1,223,891	12	1,494,836
Continental Airlines	12	1,302,199	13	1,346,992	12	1,463,371	13	1,444,205
Paradies-Kansas City, LLC	10	1,400,545	9	1,676,215	13	1,382,819	14	1,246,582
Frontier	-	-	-	-	-	-	15	1,054,209
Port Authority of Kansas City, Missouri	-	-	15	1,071,001	15	1,071,001	-	-

⁽¹⁾ FYE2005 rankings were provided for the 12 highest paying customers only.

⁽²⁾ FYE2006, FYE2007, and FYE2008 rankings were provided for the 15 highest paying customers only.

SCHEDULE OF MOST POPULAR DESTINATIONS
Number of passengers by calendar year

Rank	City	C2004	C2005	C2006	C2007
1	Chicago, Midway	401,700	Chicago, Midway 411,590	Chicago, Midway 411,623	Denver 476,165
2	Chicago, O'Hare	339,570	Las Vegas 353,380	Denver 396,193	Chicago, Midway 396,325
3	Las Vegas	333,180	Chicago, O'Hare 339,250	Las Vegas 386,906	Las Vegas 373,354
4	Phoenix	313,890	Los Angeles 313,480	Chicago-O'Hare 346,615	Chicago, O'Hare 356,811
5	Los Angeles	306,640	Phoenix 309,890	Los Angeles 344,220	Orlando 355,379
6	Atlanta	299,380	Atlanta 304,890	Atlanta 330,988	Los Angeles 344,727
7	Orlando	292,630	Orlando 281,580	Dallas-Love 327,273	Atlanta 329,244
8	Dallas/Ft. Worth	277,210	Denver 277,190	Phoenix 320,630	Phoenix 313,857
9	Denver	276,180	Dallas/Ft. Worth 264,840	Orlando 318,813	Dallas, Love 290,508
10	New York, LGA	239,590	New York 252,110	New York, LGA 264,460	New York, LGA 278,966
11	Washington, DCA	198,920	Washington, DCA 235,630	Washington-DCA 235,037	Dallas-Fort Worth 238,561
12	St. Louis	183,200	St. Louis 178,580	Dallas/Fort Worth 211,085	Washington, DCA 234,166
13	Baltimore	171,920	Baltimore 169,320	St. Louis 194,399	San Diego 196,071
14	Tampa	165,400	Tampa 155,740	San Diego 180,891	St. Louis 189,309
15	Seattle	149,180	San Diego 152,940	Tampa 174,780	Tampa 179,794
16	San Diego	148,640	Nashville 149,560	Baltimore 170,685	Seattle, Tacoma 167,599
17	Detroit	145,690	Seattle 145,040	Nashville 161,721	Nashville 165,540
18	Nashville	142,990	Detroit 143,360	Seattle/Tacoma 156,264	Baltimore 164,175
19	Philadelphia	138,410	Minneapolis 143,210	Fort Lauderdale 148,578	Boston 161,189
20	Minneapolis	131,440	Philadelphia 140,410	Boston 148,310	Philadelphia 149,866
Total – All Destinations		<u>8,721,510</u>	<u>8,875,340</u>	<u>10,143,936</u>	<u>10,438,495</u>

One passenger flying roundtrip is counted twice.
Source: OandD Survey of Airline Passenger Traffic, U.S. DOT, via Data Bas Product



Harrison, 1
Hays, 1
Houston, 10
Indianapolis, 4
Jacksonville, 1
Joplin, 4
Kirksville, 2
Las Vegas, 6
Little Rock, 2
Los Angeles, 6
Madison, 1
Manhattan, 3
Memphis, 3
Miami, 1
Milwaukee, 8
Minneapolis, 7
Nashville, 4
New Orleans, 2
New York-La Guardia, 5
Newark, 5
Oakland, 2

Oklahoma City, 4
Omaha, 2
Ontario, 1
Orlando, 6
Philadelphia, 3
Phoenix, 7
Pittsburgh, 1
Portland, 1
Raleigh/Durham, 3
Sacramento, 1
Salt Lake City, 3
San Antonio, 2
San Diego, 4
San Francisco, 1
Seattle, 2
St. Louis, 6
Tampa, 2
Tucson, 1
Tulsa, 3
Washington-Dulles, 4
Washington-National, 6

Cancun, 3/week
Puerto Vallarta, seasonal
Toronto, 1

257 peak day departures to
68 non-stop destinations

SCHEDULE OF PASSENGER AND CARGO AIRLINES

MAJOR / NATIONALS

AirTran Airways ‡
American Airlines ‡
Continental Airlines ‡
Delta Air Lines ‡
Frontier Airlines ‡
Mesa Airlines ‡
Midwest Airlines ‡
Northwest Airlines ‡
Skybus ‡
Southwest Airlines ‡
United Airlines ‡
US Airways ‡

MAJOR / INTERNATIONAL

Air Canada Jazz

REGIONAL / COMMUTERS

American/American Eagle ‡
Continental/Chautauqua Airlines ‡
Continental/Expressjet ‡
Delta/Atlanta Southeast Airlines ‡
Delta/Comair ‡
Delta/Expressjet ‡
Delta/SkyWest Airlines ‡
Expressjet Airlines ‡
Great Lakes ‡
Mesa/Air Midwest
Midwest Airlines/SkyWest ‡
Northwest Airlines/Mesaba Airlines ‡
Northwest Airlines/Pinnacle ‡
United/GoJet ‡
United/Mesa Airlines ‡
United/Shuttle America ‡
United/SkyWest ‡
US Airways/Air Midwest ‡
US Airways/Air Wisconsin ‡
US Airways/Mesa ‡
US Airways/Republic ‡

ALL-CARGO CARRIERS

Airborne Express ‡
BAX Global ‡
Federal Express ‡
Kitty Hawk
United Parcel Service ‡

‡ denotes signatory airline

SCHEDULE OF AIRLINE SERVICE

<u>CARRIER</u>	<u>NON-STOP DESTINATION</u>	<u>PEAK DAY DEPARTURES</u>
Air Canada, 1	Toronto, ON, CA (YYZ)	1
AirTran Airways, 4	Atlanta, GA (PHX)	3
	Miami, FL (MIA)	2/week
	Orlando, FL (MCO)	1
American Airlines, 24	Dallas-Love, TX (DAL)	8
	Dallas-Fort Worth, TX (DFW)	8
	Chicago-O'Hare, IL (ORD)	6
	Raleigh/Durham (RDU)	2
Continental Airlines, 19	Cleveland, OH (CLE)	4
	Newark, NJ (EWR)	5
	Houston-Intercontinental, TX (IAH)	10
Delta Air Lines, 16	Atlanta, GA (ATL)	8
	Covington, KY (CVG)	5
	Salt Lake City, UT (SLC)	3
Expressjet Airlines, 6	Jacksonville, FL (JAX)	1
	New Orleans, LA (MSY)	2
	Ontario, CA (ONT)	1
	Raleigh/Durham NC (RDU)	1
	Tucson, AZ (TUS)	1
Frontier Airlines, 8	Cancun, MX (CUN)	3/week
	Denver, CO (DEN)	6
	Puerto Vallarta MX (PVR)	1/week
Mesa Airlines, 1	Harrison, AR (HRO)	1
Great Lakes, 9	Burlington, IA (BRL)	2
	Dodge City, KS (DDC)	1
	Great Bend, KS (GBD)	2
	Garden City, KS (GCK)	1
	Hays, KS (HYS)	1
	Manhattan, KS (MHK)	3
Midwest Airlines, 35	Boston, MA (BOS)	2
	Washington-National, DC (DCA)	3
	Fort Lauderdale, FL (FLL)	1
	Los Angeles, CA (LAX)	2
	New York-La Guardia, NY (LGA)	5
	Orlando, FL (MCO)	2
	Milwaukee, WI (MKE)	8
	Pittsburgh, PA (PIT)	1
	Fort Myers, FL (RSW)	1
	San Diego, CA (SAN)	2
	San Antonio, TX (SAT)	2
	Seattle/Tacoma, WA (SEA)	1
	San Francisco, CA (SFO)	1
	Austin, TX (AUS)	2
	Madison, WI (MSN)	1

SCHEDULE OF AIRLINE SERVICE, CONTINUED

<u>CARRIER</u>	<u>NONSTOP DESTINATION</u>	<u>PEAK DAY DEPARTURES</u>
Northwest Airlines, 17	Detroit, MI (DTW)	5
	Indianapolis, IN (IND)	2
	Memphis, TN (MEM)	3
	Minneapolis/St. Paul, MN (MSP)	7
Southwest Airlines, 74	Albuquerque, NM (ABQ)	2
	Nashville, TN (BNA)	4
	Baltimore, MD (BWI)	3
	Dallas-Love, TX (DAL)	8
	Denver, CO (DEN)	4
	Indianapolis, IN (IND)	2
	Las Vegas, NV (LAS)	6
	Los Angeles, CA (LAX)	4
	Orlando, FL (MCO)	3
	Chicago-Midway, IL (MDW)	12
	Oakland, CA (OAK)	2
	Oklahoma City, OK (OKC)	4
	Portland, OR (PDX)	1
	Phoenix, AZ (PHX)	4
	San Diego, CA (SAN)	2
	Seattle/Tacoma, WA (SEA)	1
	Sacramento, CA (SMF)	1
	St. Louis, MO (STL)	6
	Tampa, FL (TPA)	2
	Tulsa, OK (TUL)	3
United Airlines, 17	Denver, CO (DEN)	6
	Washington-Dulles, DC (IAD)	4
	Chicago-O'Hare, IL (ORD)	7
US Airways, 32	Charlotte-Douglas, NC (CLT)	4
	Columbia, MO (COU)	4
	Washington-National, DC (DCA)	3
	Grand Island, NE (GRI)	1
	Kirksville, MO (IRK)	2
	Joplin, MO (JLN)	4
	Little Rock, AR (LIT)	2
	Omaha, NE (OMA)	2
	Philadelphia, PA (PHL)	3
	Phoenix, AZ (PHX)	3

SCHEDULE OF RATIOS OF OUTSTANDING DEBT, DEBT SERVICE, AND DEBT LIMITS
FOR THE LAST TEN FISCAL YEARS

	FYE1999	FYE2000	FYE2001	FYE2002
Outstanding debt by type:				
General Airport Revenue Bonds (GARBs)	\$144,150,000	\$140,885,000	\$134,785,000	\$128,265,000
Subordinate Bonds	-	-	-	-
Passenger Facility Charge Bonds	-	-	-	140,000,000
Outstanding debt	\$144,150,000	\$140,885,000	\$134,785,000	\$268,265,000
Enplaned passengers	5,642,953	6,008,059	6,145,608	5,593,527
Outstanding debt per enplaned passenger	\$25.54	\$23.45	\$21.93	\$47.96
Debt service: (in thousands)				
Principal	\$ 4,295	\$ 5,270	\$ 6,100	\$ 6,520
Interest	9,098	8,577	7,905	12,111
Total debt service	\$13,393	\$13,847	\$14,005	\$18,631
Ratio of debt to total expenses	9.29%	9.83%	10.39%	6.94%

FYE2003	FYE2004	FYE2005	FYE2006	FYE2007	FYE2008
\$251,430,000	\$244,230,000	\$226,410,000	\$215,595,000	\$207,570,000	\$199,380,000
-	-	57,020,000	57,020,000	57,020,000	54,005,000
<u>136,520,000</u>	<u>132,930,000</u>	<u>129,220,000</u>	<u>125,380,000</u>	<u>121,400,000</u>	<u>117,265,000</u>
\$387,950,000	\$377,160,000	\$412,650,000	\$397,995,000	\$385,990,000	\$370,650,000
4,987,421	4,905,086	5,036,889	5,112,330	5,610,488	5,905,988
\$77.79	\$76.89	\$81.93	\$77.85	\$68.80	\$62.76
\$10,325	\$10,790	\$10,710	\$11,780	\$12,005	\$15,340
<u>14,274</u>	<u>20,243</u>	<u>17,878</u>	<u>20,889</u>	<u>19,606</u>	<u>18,952</u>
\$24,599	\$31,033	\$28,588	\$32,669	\$31,611	\$34,292
6.34%	8.23%	6.93%	8.21%	8.19%	9.25%

Table VI-11

SCHEDULE OF HISTORICAL GARB DEBT SERVICE COVERAGE

FOR THE LAST TEN FISCAL YEARS

ACTUAL

	FYE99	FYE00	FYE01	FYE02	FYE03
Revenues: ⁽¹⁾					
Airfield	\$10,912,144	\$9,057,808	\$9,615,244	\$9,533,404	\$10,204,660
Terminal	12,449,646	12,136,746	13,102,894	13,815,149	11,237,347
Parking	30,997,010	32,094,178	31,993,244	29,557,225	31,654,833
Rental cars	6,645,197	7,594,848	7,773,928	7,238,643	7,290,691
Aviation services area	3,400,697	3,966,792	3,506,368	4,036,332	3,782,221
Other property rentals	2,584,109	3,200,324	3,620,506	3,119,611	3,216,692
Customer facility charges	-	-	1,776,234	6,186,432	5,792,046
Transportation facility charges	-	-	-	-	-
Earnings on cash and investments	9,134,513	8,479,544	14,272,889	4,605,400	3,900,572
Total revenues	76,123,316	76,530,240	85,661,307	78,092,196	77,079,062
Cash provided by capitalized interest	-	-	-	-	-
Total cash available for debt service	76,123,316	76,530,240	85,661,307	78,092,196	77,079,062
Operating and maintenance expenses:					
Salaries, wages and benefits	16,959,299	18,108,645	18,292,675	20,509,675	22,365,738
Contractual services	10,742,513	11,994,359	15,925,308	25,528,489	26,280,324
Utilities	3,128,787	3,146,221	3,871,593	3,340,415	-
Commodities and supplies	2,825,152	2,561,678	3,091,249	2,515,840	2,485,170
Property and liability insurance	439,069	974,819	689,807	982,327	-
Total operating and maintenance expenses	34,094,820	36,785,722	41,870,632	52,876,746	51,131,232
Net revenues available for debt service	42,028,496	39,744,518	43,790,675	25,215,450	25,947,830
Senior GARB debt service:					
Series 1989A	5,359,058	4,138,710	-	-	-
Series 1994A Bonds	2,929,750	2,983,195	3,051,400	3,089,703	3,085,095
Series 1995 Bonds	3,484,811	4,113,296	4,078,440	4,184,970	4,172,590
Series 1997A Bonds	1,619,395	1,619,395	1,619,395	1,619,395	1,619,395
Series 1999A Bonds	-	992,788	5,255,488	5,225,738	5,242,113
Series 2003A Bonds	-	-	-	-	-
Series 2003B Bonds	-	-	-	-	-
Series 2004E Bonds	-	-	-	-	-
Series 2005H Bonds	-	-	-	-	-
Current senior GARB debt service	13,393,014	13,847,384	14,004,723	14,119,806	14,119,193
Senior GARB coverage	3.14	2.87	3.13	1.79	1.84
Total GARB debt service:					
Series 2000 subordinate GARBS ⁽²⁾	-	-	246,667	740,000	740,000
Series 2005C subordinate GARBS	-	-	-	-	-
Subtotal	-	-	246,667	740,000	740,000
Total GARB debt service	\$13,393,014	\$13,847,384	\$14,251,390	\$14,859,806	\$14,859,193
Total GARB coverage	3.14	2.87	3.07	1.70	1.75

⁽¹⁾Revenues presented in accordance with the methodology set forth in the GARB bond ordinances.⁽²⁾Series 2000 subordinate GARBS were issued in December 2000 and refunded in April 2005.

FYE04	FYE05	FYE06	FYE07	FYE08	FYE07-FYE08 Annual Incr(decr)
\$10,228,110	\$10,038,968	\$11,662,094	\$13,017,560	\$13,899,348	6.8%
10,969,892	12,273,098	14,707,359	14,460,030	16,085,645	11.2
33,089,817	34,450,836	35,606,188	40,032,941	44,007,005	9.9
7,864,913	7,829,509	8,372,860	8,817,410	10,695,864	21.3
3,559,507	2,679,955	4,594,393	10,576,261	9,728,175	(8.0)
2,299,644	2,396,089	2,440,441	2,961,357	5,045,088	70.4
5,886,939	5,976,731	6,147,691	6,456,360	6,809,736	5.5
-	-	1,760,366	4,296,620	4,540,222	5.7
4,137,949	3,127,290	6,645,437	10,710,544	10,895,280	1.7
<u>78,036,771</u>	<u>78,772,476</u>	<u>91,936,829</u>	<u>111,329,083</u>	<u>121,706,363</u>	<u>9.3</u>
3,455,944	-	-	-	-	n.a.
<u>81,492,715</u>	<u>78,772,476</u>	<u>91,936,829</u>	<u>111,329,083</u>	<u>121,706,363</u>	<u>9.3</u>
21,120,771	22,168,647	24,007,384	25,022,038	27,455,554	9.7
25,474,042	25,680,324	33,071,060	42,447,274	46,220,645	8.9
-	-	-	-	-	
2,616,891	2,621,999	2,977,198	4,012,999	4,260,908	6.2
-	-	-	-	-	
<u>49,211,704</u>	<u>50,470,970</u>	<u>60,055,642</u>	<u>71,482,311</u>	<u>77,937,107</u>	<u>9.0</u>
32,281,011	28,301,506	31,881,187	39,846,772	43,769,256	9.8
-	-	-	-	-	
3,093,020	-	-	-	-	
4,163,245	4,151,388	3,501,763	-	-	
1,619,395	1,619,395	1,619,395	1,619,395	1,619,395	
5,248,006	5,267,244	5,283,619	5,267,394	5,253,700	
3,660,381	3,504,620	3,504,620	3,504,620	3,504,620	
2,832,546	2,712,013	2,712,013	2,712,013	2,712,013	
-	976,453	1,861,963	1,872,988	1,884,538	
-	-	506,034	3,497,050	3,284,450	
<u>20,616,593</u>	<u>18,231,113</u>	<u>18,989,407</u>	<u>18,473,460</u>	<u>18,258,716</u>	
1.57	1.55	1.68	2.16	2.40	
740,000	740,000	-	-	-	
-	-	2,647,595	2,888,285	5,827,910	
<u>740,000</u>	<u>740,000</u>	<u>2,647,595</u>	<u>2,285,285</u>	<u>5,827,910</u>	
<u>\$21,356,593</u>	<u>\$18,971,113</u>	<u>\$21,637,002</u>	<u>\$21,361,745</u>	<u>\$24,086,626</u>	
1.51	1.49	1.47	1.87	1.82	

Table IV-1

SCHEDULE OF ANNUAL PASSENGER ENPLANEMENTS

CALENDAR YEAR 1991-2007

Year	<u>Domestic</u>		<u>International⁽¹⁾</u>		<u>Total Enplanements</u>	
	Actual	% of Total	Actual	% of Total	Actual	% Change
1991	3,473,333	100.0%	-	0.0%	3,473,333	-
1992	3,668,288	98.9	42,557	1.1	3,710,845	6.8%
1993	3,936,402	99.1	33,952	0.9	3,970,354	7.0
1994	4,419,734	99.0	46,241	1.0	4,465,975	12.5
1995	4,702,667	99.1	41,226	0.9	4,743,893	6.2
1996	5,002,074	99.2	42,240	0.8	5,044,314	6.3
1997	5,478,912	98.9	62,658	1.1	5,541,570	9.9
1998	5,531,409	99.0	55,228	1.0	5,586,637	0.8
1999	5,861,565	99.0	58,014	1.0	5,919,579	6.0
2000	6,013,923	98.9	66,372	1.1	6,080,295	2.7
2001	5,802,901	99.0	56,255	1.0	5,859,156	(3.6)
2002	5,148,924	99.2	42,892	0.8	5,191,816	(11.4)
2003	4,828,048	99.5	22,223	0.5	4,850,271	(6.6)
2004	4,997,932	99.4	29,678	0.6	5,027,610	3.7
2005	4,958,313	99.4	27,892	0.6	4,986,205	(0.8)
2006	5,501,038	99.2	43,460	0.8	5,544,498	11.2
2007	5,767,798	98.9	64,861	1.1	5,832,659	5.2

⁽¹⁾International enplanements by Air Canada, Air Canada Jazz, Frontier, and charter airlines.

Source: Kansas City Aviation Department Records

Table IV-3
SCHEDULE OF MONTHLY ENPLANEMENTS
CALENDAR YEAR 2001-2007 AND JAN-APR 2008
Kansas City International Airport Enplanements⁽¹⁾

	2001	2002	2003	2004	2005	2006	2007	2008
January	429,001	380,992	338,163	337,474	347,572	373,440	393,796	420,963
February	430,547	362,465	331,667	326,816	335,021	367,127	384,469	389,094
March	553,679	477,432	412,804	441,391	437,344	471,396	480,905	514,468
April	501,130	427,839	361,699	395,116	390,139	424,238	443,021	450,995
May	560,096	495,070	434,235	453,755	457,508	490,206	528,260	
June	577,152	510,659	457,406	488,199	468,876	553,316	570,104	
July	581,617	523,136	488,213	501,417	484,473	503,287	574,209	
August	562,629	447,074	434,728	438,691	428,940	466,655	543,246	
September	337,565	361,990	376,967	399,339	393,746	429,614	467,978	
October	459,472	416,715	426,811	430,486	427,892	484,886	515,306	
November	433,503	368,549	376,603	408,206	407,708	527,283	487,533	
December	432,765	419,895	410,975	406,720	406,986	453,564	443,832	
Total	<u>5,859,156</u>	<u>5,191,816</u>	<u>4,850,271</u>	<u>5,027,610</u>	<u>4,986,205</u>	<u>5,545,012</u>	<u>5,832,659</u>	

⁽¹⁾International enplanements by Air Canada, Air Canada Jazz, Frontier, and charter airlines.

Source: Kansas City Aviation Department records.

Source: Air Transport Association (ATA). ATA data includes only scheduled service by ATA-member passenger airlines. As of July 2007, ATA Airline members included ABX Air, Alaska, Aloha, American, ASTAR Air Cargo, Atlas Air, Continental, Delta, Evergreen International, Federal Express, Hawaiian, JetBlue, Midwest, Northwest, Southwest, United, UPS, and US Airways.

Table IV-3B

SCHEDULE OF CHANGES IN MONTHLY ENPLANEMENTS VS. U.S. DOMESTIC MONTHLY ENPLANEMENTS
CALENDAR YEAR 2001-2007 AND JAN-APR 2008

	2001-2002		2002-2003		2003-2004		2004-2005		2005-2006		2006-2007	
	MCI	U.S.	MCI	U.S.	MCI	U.S.	MCI	U.S.	MCI	U.S.	MCI	U.S. ⁽¹⁾
January	(11.2)	(13.9)%	(11.2)	2.7%	(0.2)	(2.0)%	3.0	6.7%	7.4	0.1%	5.5	n.a.
February	(15.8)	(11.7)	(8.5)	(1.8)	(1.5)	5.5	2.5	1.0	9.6	(1.1)	4.7	n.a.
March	(13.8)	(10.0)	(13.5)	(5.5)	6.9	4.5	(0.9)	5.7	7.8	(3.0)	2.0	n.a.
April	(14.6)	(12.8)	(15.5)	(5.8)	9.2	10.2	(1.3)	(0.3)	8.7	0.1	4.4	n.a.
May	(11.6)	(10.4)	(12.3)	5.3	4.5	4.9	0.8	4.7	7.1	(2.3)	7.8	n.a.
June	(11.5)	(10.5)	(10.4)	(3.9)	6.7	6.3	(4.0)	1.5	18.0	(2.9)	3.0	n.a.
July	(10.1)	(10.6)	(6.7)	(0.9)	2.7	3.7	(3.4)	2.4	3.9	(5.1)	14.1	n.a.
August	(20.5)	(10.7)	(2.8)	(5.2)	0.9	3.3	(2.2)	0.7	8.8	(3.5)	16.4	n.a.
September	7.2	28.9	4.1	(1.7)	5.9	5.1	(1.4)	3.6	9.1	(1.9)	8.9	n.a.
October	(9.3)	10.1	2.4	(1.0)	0.9	5.7	(0.6)	(3.4)	13.2	2.1	6.3	n.a.
November	(15.0)	0.7	2.2	0.8	8.4	7.5	(0.1)	(0.3)	29.3	1.5	-7.5	n.a.
December	(3.0)	11.0	(2.1)	(4.0)	(1.0)	3.5	0.1	(2.2)	11.4	1.7	-2.1	n.a.

⁽¹⁾U.S. Domestic monthly enplanements data is no longer available to non-ATA members effective December 31, 2006.

Table IV-3B (continued)

SCHEDULE OF CHANGES IN MONTHLY ENPLANEMENTS VS. U.S. DOMESTIC MONTHLY ENPLANEMENTS
CALENDAR YEAR 2001-2007 AND JAN-APR 2008

	2007-2008	
	MCI	U.S. ⁽¹⁾
January	6.9	n.a.
February	1.2	n.a.
March	7.0	n.a.
April	1.8	n.a.
May		
June		
July		
August		
September		
October		
November		
December		

Table IV-5

SCHEDULE OF AIRLINES MARKET SHARE
CALENDAR YEAR 2001-2007

Domestic Air Carrier:	2001	2002	2003	2004	2005	2006	2007
AirTran	-	11,657	79,641	88,923	89,982	114,950	150,747
America West ⁽¹⁾	147,114	132,673	124,553	146,694	140,895	96,157	51,808
American	510,931	745,935	743,973	658,969	684,307	608,079	604,717
Continental ⁽²⁾	235,322	221,043	223,499	233,137	247,764	280,091	302,053
Delta ⁽³⁾	570,432	554,496	662,308	656,419	598,650	553,725	380,040
Express Jet ⁽⁴⁾	-	-	-	-	-	-	88,017
Frontier	79,115	87,769	121,151	183,425	180,069	203,759	202,161
Great Lakes ⁽⁵⁾	-	-	-	-	-	-	2,201
Midwest Express ⁽⁶⁾	234,287	260,693	213,787	229,586	390,746	580,296	714,180
Northwest ⁽⁷⁾	430,065	394,437	414,465	404,162	401,755	482,351	425,780
Skybus ⁽⁸⁾	-	-	-	-	-	-	22,582
Southwest	1,767,242	1,575,617	1,566,408	1,686,016	1,624,134	1,916,802	2,018,547
TWA ⁽⁹⁾	271,950	-	-	-	-	-	-
United ⁽¹⁰⁾	443,882	380,854	370,314	414,336	308,689	446,147	135,502
US Airways ⁽¹¹⁾	431,515	327,658	302,313	299,664	292,579	243,590	118,602
Vanguard ⁽¹²⁾	681,046	456,092	-	-	-	-	-
Subtotal domestic air carrier	5,802,901	5,148,924	4,822,412	5,001,331	4,959,570	5,525,947	5,216,937
Foreign Air Carrier⁽¹³⁾	20,660	15,353	10,105	8,885	12,092	10,484	3,197
Charter⁽¹⁴⁾	35,595	27,539	17,754	17,394	14,543	8,067	1,784
Total all airlines	5,859,156	5,191,816	4,850,271	5,027,610	4,986,205	5,544,498	5,221,918

⁽¹⁾Includes enplanements by Mesa Airlines. America West merged operations with US Airways.

⁽²⁾Includes enplanements by Chautauqua Airlines.

⁽³⁾Includes enplanements by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America, and Skywest Airlines.

⁽⁴⁾ExpressJet began operations at Kansas City International Airport effective April 2007.

⁽⁵⁾Great Lakes Airlines began operations at Kansas City International Airport effective October 2007.

⁽⁶⁾Includes enplanements by Skyway, the designated commuter airline for Midwest Express at the Kansas City International.

⁽⁷⁾Includes enplanements for Mesabesa Aviation.

⁽⁸⁾Skybus began operations at Kansas City International effective May 2007.

⁽⁹⁾Effective December 2001, TWA's enplanements are reported together with American's enplanements.

⁽¹⁰⁾Includes enplanements by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and TransStates Airlines.

⁽¹¹⁾Includes enplanements by Air Midwest, Air Wisconsin, Mesa Airlines, PSA Airlines, and Republic Airlines.

⁽¹²⁾On July 30, 2002, Vanguard filed for Chapter 11 bankruptcy protection and ceased operations.

⁽¹³⁾Foreign Air Carrier includes Air Canada and Air Canada Jazz.

⁽¹⁴⁾Charter passenger category includes Allegiant Air, American Trans Air, Miami Air International and Ryan International Airline.

Source: Kansas City Aviation Department records.

Jan-Apr

2008

31,160

-

180,274

98,880

127,554

28,206

67,100

3,465

220,016

115,619

6,684

638,574

-

135,502

118,602

-

1,771,636

3,738

146

1,775,520

Table IV-5 (continued)

SCHEDULE OF AIRLINES MARKET SHARE
CALENDAR YEAR 2001-2007

Domestic Air Carrier:	2001	2002	2003	2004	2005	2006	2007
AirTran	0.0%	0.2%	1.6%	1.8%	1.8%	2.1%	2.9%
America West ⁽¹⁾	2.5	2.6	2.6	2.9	2.8	1.7	1.0
American	8.7	14.4	15.3	13.1	13.7	11.0	11.6
Continental ⁽²⁾	4.0	4.3	4.6	4.6	5.0	5.1	5.8
Delta ⁽³⁾	9.7	10.7	13.7	13.1	12.0	10.0	7.3
Express Jet ⁽⁴⁾	0.0	0.0	0.0	0.0	0.0	0.0	1.7
Frontier	1.4	1.7	2.5	3.6	3.6	3.7	3.9
Great Lakes ⁽⁵⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Midwest Express ⁽⁶⁾	4.0	5.0	4.4	4.6	7.8	10.5	13.7
Northwest ⁽⁷⁾	7.3	7.6	8.5	8.0	8.1	8.7	8.2
Skybus ⁽⁸⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Southwest	30.2	30.3	32.3	33.5	32.6	34.6	38.7
TWA ⁽⁹⁾	4.6	0.0	0.0	0.0	0.0	0.0	0.0
United ⁽¹⁰⁾	7.6	7.3	7.6	8.2	6.2	8.0	2.6
US Airways ⁽¹¹⁾	7.4	6.3	6.2	6.0	5.9	4.4	2.6
Vanguard ⁽¹²⁾	11.6	8.8	0.0	0.0	0.0	0.0	0.0
Subtotal domestic air carrier	99.0%	99.2%	99.4%	99.5%	99.5%	99.7%	99.9%
Foreign Air Carrier ⁽¹³⁾	0.4	0.3	0.2	0.2	0.2	0.2	0.1
Charter ⁽¹⁴⁾	0.6	0.5	0.4	0.3	0.3	0.1	0.0
Total all airlines	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

⁽¹⁾Includes enplanements by Mesa Airlines. America West merged operations with US Airways.

⁽²⁾Includes enplanements by Chautauqua Airlines.

⁽³⁾Includes enplanements by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America, and Skywest Airlines.

⁽⁴⁾ExpressJet began operations at Kansas City International Airport effective April 2007.

⁽⁵⁾Great Lakes Airlines began operations at Kansas City International Airport effective October 2007.

⁽⁶⁾Includes enplanements by Skyway, the designated commuter airline for Midwest Express at the Kansas City International.

⁽⁷⁾Includes enplanements for Mesabesa Aviation.

⁽⁸⁾Skybus began operations at Kansas City International effective May 2007.

⁽⁹⁾Effective December 2001, TWA's enplanements are reported together with American's enplanements.

⁽¹⁰⁾Includes enplanements by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and TransStates Airlines.

⁽¹¹⁾Includes enplanements by Air Midwest, Air Wisconsin, Mesa Airlines, PSA Airlines, and Republic Airlines.

⁽¹²⁾On July 30, 2002, Vanguard filed for Chapter 11 bankruptcy protection and ceased operations.

⁽¹³⁾Foreign Air Carrier includes Air Canada and Air Canada Jazz.

⁽¹⁴⁾Charter passenger category includes Allegiant Air, American Trans Air, Miami Air International and Ryan International Airline.

Source: Kansas City Aviation Department records.

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Table IV-7

SCHEDULE OF MCI AIRCRAFT OPERATIONS
CALENDAR YEAR 1991-2007

Year	Domestic Air Carrier ⁽¹⁾	Commuter/ Air Taxi	All-Cargo ⁽²⁾	General Aviation ⁽³⁾	Military	Total
1991	111,295	40,068	6,730	17,088	1,647	176,828
1992	103,060	50,313	6,738	15,600	1,805	177,516
1993	110,119	49,327	10,086	17,319	1,964	188,815
1994	114,629	54,989	14,642	17,490	1,320	203,070
1995	118,433	58,602	10,854	15,420	1,044	204,353
1996	113,992	55,612	12,386	14,234	960	197,184
1997	123,889	61,518	12,092	13,386	679	211,564
1998	125,385	61,009	13,548	12,029	534	212,505
1999	145,912	48,210	12,232	12,499	963	219,816
2000	151,298	43,487	11,560	11,253	714	218,312
2001	148,178	36,818	14,834	8,793	1,074	209,697
2002	137,500	35,837	9,146	8,008	834	191,325
2003	116,367	35,826	9,526	8,302	737	170,758
2004	117,575	31,988	10,584	8,473	715	169,335
2005	101,007	32,439	9,580	12,025	934	155,985
2006	119,695	36,553	6,858	14,544	816	178,466
2007	132,202	53,942	6,040	7,995	830	201,009

⁽¹⁾Includes aircraft operations by domestic air carriers, Air Canada, and charter operations.

⁽²⁾Cargo operations based on Table IV-8b, Commercial Aircraft Landings - Cargo. In 2007, the substitution from small air freighters to medium-sized freighters resulted in fewer total overall air operations by the all-cargo airlines.

⁽³⁾General aviation includes civil itinerant and local aircraft operations.

Source: Kansas City Aviation Department based on FAA Airport Operations Monthly Summary.

Table IV-9

SCHEDULE OF ENPLANED CARGO

CALENDAR YEAR 1991-2007 AND JAN-APR 2003-2008

Year	Mail Weight (000 lbs)	% of Total	Air Freight Weight (000 lbs)	% of Total	Total Cargo Weight (000 lbs)
1991	36,079	38.1%	58,557	61.9%	94,636
1992	43,848	39.9	65,952	60.1	109,800
1993	49,446	37.5	82,313	62.5	131,759
1994	54,921	35.3	100,577	64.7	155,498
1995	57,934	38.3	93,182	61.7	151,116
1996	58,627	36.1	103,635	63.9	162,262
1997	54,244	33.3	108,818	66.7	163,062
1998	51,036	28.2	129,840	71.8	180,876
1999	49,380	27.3	131,349	72.7	180,729
2000	54,598	31.1	120,696	68.9	175,294
2001	44,566	26.4	124,057	73.6	168,623
2002	35,227	23.9	112,454	76.1	147,681
2003	35,293	24.4	109,117	75.6	144,410
2004	34,836	22.4	120,761	77.6	155,597
2005	33,371	22.0	118,124	78.0	151,495
2006	33,499	22.3	116,619	77.7	150,118
2007	10,332	7.1	135,733	92.9	146,065
Jan - Apr 2003	11,014	22.8	37,355	77.2	48,369
Jan - Apr 2004	11,795	23.1	39,226	76.9	51,021
Jan - Apr 2005	11,341	23.4	37,154	76.6	48,495
Jan - Apr 2006	11,135	23.6	36,093	76.4	47,228
Jan - Apr 2007 ⁽¹⁾	4,290	9.3	42,059	90.7	46,349
Jan - Apr 2008	2,515	5.7	41,829	94.3	44,344

⁽¹⁾2007 data incorporates a change in reporting methodology between Mail and Air Freight weights.

Source: Kansas City Aviation Department records.

Table IV-8a

SCHEDULE OF COMMERCIAL AIRCRAFT LANDED WEIGHT BY AIRLINE (pounds in thousands)

CALENDAR YEAR 2001 - 2007

	2001	2002	% Change	2003	% Change
Domestic Air Carrier:					
AirTran	-	25,782	n.a.%	113,132	338.8%
America West ⁽¹⁾	185,116	175,548	(5.2)	129,851	(26.0)
American	782,619	1,209,367	54.5	1,198,838	(0.9)
Continental ⁽²⁾	343,209	311,412	(9.3)	289,793	(6.9)
Delta ⁽³⁾	839,850	792,817	(5.6)	825,915	4.2
Express Jet ⁽⁴⁾	-	-	n.a.	-	n.a.
Frontier	108,774	144,565	32.9	156,705	8.4
Great Lakes ⁽⁵⁾	-	-	n.a.	-	n.a.
Midwest Express ⁽⁶⁾	606,992	695,167	14.5	542,387	(22.0)
Northwest ⁽⁷⁾	604,563	587,897	(2.8)	590,625	0.5
Skybus ⁽⁸⁾	-	-	n.a.	-	n.a.
Southwest	3,118,127	3,025,830	(3.0)	2,924,833	(3.3)
TWA ⁽⁹⁾	425,760	-	(100.0)	-	n.a.
United ⁽¹⁰⁾	639,073	538,592	(15.7)	478,661	(11.1)
US Airways ⁽¹¹⁾	567,580	454,183	(20.0)	392,981	(13.5)
Vanguard ⁽¹²⁾	968,336	754,930	(22.0)	-	(100.0)
Subtotal domestic air carrier	9,189,999	8,716,090	(5.2)	7,643,721	(12.3)
Commuter:					
Air Midwest	217,228	151,049	(30.5)	66,604	(55.9)
Air Wisconsin	-	-	n.a.	32,801	n.a.
Subtotal commuter	217,228	151,049	(30.5)	99,405	(34.2)
Foreign Air Carrier:					
Air Canada	39,459	30,562	(22.5)	6,940	(77.3)
Air Canada Jazz	-	-	n.a.	16,544	n.a.
Subtotal foreign carrier	39,459	30,562	(22.5)	23,484	(23.2)
Charter Passenger⁽¹³⁾	67,493	65,694	(2.7)	28,717	(56.3)
All Cargo Carrier:					
Air Cargo Carriers, Inc.	5,175	7,548	45.9	11,491	52.2
Airborne Express	81,363	87,242	7.2	92,295	5.8
BAX Global	73,466	74,342	1.2	79,121	6.4
DHL Airways	68,170	76,092	11.6	82,015	7.8
Emery Worldwide	141,039	84,846	(39.8)	98,800	16.4
Federal Express	259,861	310,350	19.4	291,237	(6.2)
Kitty Hawk International Inc.	60,422	75,773	25.4	66,788	(11.9)
UPS	114,429	129,519	13.2	127,804	(1.3)
Other ⁽¹⁴⁾	12,768	-	(100.0)	294	n.a.
Subtotal cargo	816,693	845,712	3.6	849,845	0.5
Total all airlines	10,330,872	9,809,107	(5.1)	8,645,172	(11.9)

⁽¹⁾Includes enplanements by Mesa Airlines. American West merged operations with U.S. Airways⁽²⁾Includes operations by Chautauqua Airlines.⁽³⁾Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America and Skywest Airlines.⁽⁴⁾ExpressJet began operations at Kansas City International Airport effective April 2007.⁽⁵⁾Great Lakes Airlines began operations at Kansas City International Airport effective October 2007.⁽⁶⁾Includes operations by Skyway, the designated commuter airline for Midwest Express at Kansas City International.⁽⁷⁾Includes operations by Mesaba Aviation and Pinnacle Airlines.⁽⁸⁾Skybus began operations at Kansas City International Airport effective May 2007.⁽⁹⁾Effective December 2001, TWA's enplanements are reported together with American's enplanements.⁽¹⁰⁾Includes operations by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and Trans States Airlines.⁽¹¹⁾Includes operations by Air Wisconsin, Mesa Airlines, Inc. PSA Airlines and Republic Airlines.⁽¹²⁾On July 30, 2002, Vanguard filed for Chapter 11 bankruptcy protection and ceased all operations.⁽¹³⁾Charter Passenger category includes Allegiant Air, American Trans Air, Miami Air International and Ryan International Airlines.⁽¹⁴⁾Cargo Others include Ameriflight, Inc., Cargo Jet, Kalitta Air, Skyway Enterprise and UPS Supply Chain.

2004	% Change	2005	% Change	2006	% Change	2007	% Change
132,080	16.7%	111,800	(15.4)%	137,928	23.4%	177,912	29.0%
134,495	3.6	133,264	(0.9)	104,050	(21.9)	54,495	(47.6)
929,788	(22.4)	930,726	0.1	748,395	(19.6)	765,756	2.3
288,378	(0.5)	273,113	(5.3)	287,355	5.2	317,671	10.6
820,749	(0.6)	744,378	(9.3)	560,371	(24.7)	505,761	(9.7)
-	n.a.	-	n.a.	-	n.a.	141,211	n.a.
260,631	66.3	290,139	11.3	300,042	3.4	301,268	0.4
-	n.a.	-	n.a.	-	n.a.	7,595	n.a.
526,860	(2.9)	679,256	28.9	940,668	38.5	1,188,964	26.4
600,622	1.7	604,984	0.7	553,221	(8.6)	523,747	(5.3)
-	n.a.	-	n.a.	-	n.a.	30,589	n.a.
2,785,553	(4.8)	2,504,612	(10.1)	2,774,700	10.8	2,906,770	4.8
-	n.a.	-	n.a.	-	n.a.	-	n.a.
533,996	11.6	454,497	(14.9)	628,764	38.3	675,725	7.5
341,635	(13.1)	291,047	(14.8)	211,458	(27.3)	320,128	51.4
-	n.a.	-	n.a.	-	n.a.	-	n.a.
<u>7,354,787</u>	<u>(3.8)</u>	<u>7,017,816</u>	<u>(4.6)</u>	<u>7,246,952</u>	<u>3.3</u>	<u>7,917,592</u>	<u>9.3</u>
48,147	(27.7)	50,647	5.2	65,006	28.4	112,000	72.3
<u>58,828</u>	<u>79.3</u>	<u>59,126</u>	<u>0.5</u>	<u>62,933</u>	<u>6.4</u>	<u>26,179</u>	<u>(58.4)</u>
<u>106,975</u>	<u>7.6</u>	<u>109,773</u>	<u>2.6</u>	<u>127,939</u>	<u>16.5</u>	<u>138,179</u>	<u>8.0</u>
2,861	(58.8)	16,887	490.2	1,280	(92.4)	-	n.a.
<u>15,309</u>	<u>(7.5)</u>	<u>1,692</u>	<u>(88.9)</u>	<u>18,424</u>	<u>988.9</u>	<u>16,638</u>	<u>(9.7)</u>
<u>18,170</u>	<u>(22.6)</u>	<u>18,579</u>	<u>2.3</u>	<u>19,704</u>	<u>6.1</u>	<u>16,638</u>	<u>(15.6)</u>
<u>18,579</u>	<u>(35.3)</u>	<u>48,892</u>	<u>163.2</u>	<u>10,209</u>	<u>(79.1)</u>	<u>7,141</u>	<u>(30.1)</u>
11,551	0.5	7,910	(31.5)	-	(100.0)	-	n.a.
96,806	4.9	98,453	1.7	125,294	27.3	108,940	(13.1)
81,293	2.7	73,976	(9.0)	77,424	4.7	74,873	(3.3)
81,760	(0.3)	73,440	(10.2)	34,971	(52.4)	7,620	78.2
112,388	13.8	34,558	(69.3)	-	(100.0)	-	n.a.
323,636	11.1	306,157	(5.4)	311,108	1.6	306,456	(1.5)
66,759	0.0	66,062	(1.0)	61,004	(7.7)	42,726	(30.0)
134,479	5.2	132,613	(1.4)	124,862	(5.8)	126,322	(1.2)
1,068	263.3	64,178	5909.2	45,194	(29.6)	2,898	(93.6)
<u>909,740</u>	<u>7.0</u>	<u>857,347</u>	<u>(5.8)</u>	<u>779,857</u>	<u>(9.0)</u>	<u>669,835</u>	<u>(14.1)</u>
<u>8,408,251</u>	<u>(2.7)</u>	<u>8,052,407</u>	<u>(4.2)</u>	<u>8,184,661</u>	<u>1.6</u>	<u>8,749,385</u>	<u>6.9</u>

Table IV-8b

SCHEDULE OF COMMERCIAL AIRCRAFT LANDINGS

CALENDAR YEAR 2001 - 2007 AND JAN - APR 2007 AND 2008

	2001	2002	2003	2004	2005	2006	2007
Domestic Air Carrier:							
AirTran	-	248	1,088	1,270	1,075	1,326	1,659
America West ⁽¹⁾	1,617	1,516	1,140	1,171	1,047	1,012	483
American	5,759	8,753	8,876	7,283	7,300	5,885	7,380
Continental ⁽²⁾	3,948	3,905	4,174	4,735	5,329	5,776	6,068
Delta ⁽³⁾	6,577	6,831	8,553	8,794	7,875	6,473	5,476
Express Jet ⁽⁴⁾	-	-	-	-	-	-	3,272
Frontier	991	1,287	1,329	2,022	2,220	2,249	2,261
Great Lakes Airlines ⁽⁵⁾	-	-	-	-	-	-	453
Midwest Express ⁽⁶⁾	6,160	6,754	5,135	5,109	6,540	9,188	12,843
Northwest ⁽⁷⁾	5,498	5,464	5,593	5,739	6,631	5,931	5,817
Skybus ⁽⁸⁾	-	-	-	-	-	-	222
Southwest	26,490	25,641	24,706	23,437	21,225	23,433	24,621
TWA ⁽⁹⁾	3,259	-	-	-	-	-	-
United ⁽¹⁰⁾	4,496	4,405	3,966	4,506	3,536	5,606	6,237
US Airways ⁽¹¹⁾	4,653	3,623	3,517	3,957	3,515	2,592	3,494
Vanguard ⁽¹²⁾	8,947	6,233	-	-	-	-	-
Subtotal domestic air carrier	78,395	74,660	68,077	68,023	66,293	69,471	80,286
Commuter:							
Air Midwest	12,112	9,027	3,978	2,898	3,051	3,916	6,747
Air Wisconsin	-	-	643	1,251	1,258	1,339	557
Subtotal commuter	12,112	9,027	4,621	4,149	4,309	5,255	7,304
Foreign Air Carrier:							
Air Canada	834	605	140	61	356	4	-
Air Canada Jazz	0	0	352	325	36	392	354
Subtotal foreign carrier	834	605	492	386	392	396	155
Charter⁽¹³⁾	762	424	229	117	674	72	134
All Cargo Carrier:							
Air Cargo Carriers, Inc.	248	334	508	510	350	-	-
Airborne Express	593	575	834	946	794	523	211
BAX Global	484	395	468	477	432	438	142
DHL Airways	505	509	514	511	456	199	26
Emery Worldwide	474	521	607	693	214	-	-
Federal Express	1,000	1,202	1,106	1,226	1,113	1,086	346
Kitty Hawk International Inc.	430	542	423	439	437	432	140
UPS	526	495	470	483	474	472	155
Others ⁽¹⁴⁾	264	-	3	7	399	280	185
Subtotal cargo	4,524	4,573	4,933	5,292	4,669	3,430	1,205
Total all airlines	96,627	89,289	78,352	77,967	76,337	78,624	25,326

(1) Includes enplanements by Mesa Airlines. American West merged operations with U.S. Airways

(2) Includes operations by Chautauqua Airlines.

(3) Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America and Skywest Airlines.

(4) ExpressJet began operations at Kansas City International Airport effective April 2007.

(5) Great Lakes Airlines began operations at Kansas City International Airport effective October 2007.

(6) Includes operations by Skyway, the designated commuter airline for Midwest Express at Kansas City International.

(7) Includes operations by Mesaba Aviation and Pinnacle Airlines.

(8) Skybas began operations at Kansas City International Airport effective May 2007.

(9) Effective December 2001, TWA's enplanements are reported together with American's enplanements.

(10) Includes operations by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and Trans States Airlines.

(11) Includes operations by Air Wisconsin, Mesa Airlines, Inc. PSA Airlines and Republic Airlines.

(12) On July 30, 2002, Vanguard filed for Chapter 11 bankruptcy protection and ceased all operations.

(13) Charter Passenger category includes Allegiant Air, American Trans Air, Miami Air International and Ryan International Airlines.

(14) Cargo Others include Ameriflight, Inc., Cargo Jet, Kalitta Air, Skyway Enterprise and UPS Supply Chain.

Source: Kansas City Aviation Department records. "n.a." stands for not applicable due to the recent entry into or exit from the MCI market by the respective airlines.

Table IV-8b (continued)

SCHEDULE OF COMMERCIAL AIRCRAFT LANDINGS

CALENDAR YEAR 2001 - 2007 AND JAN - APR 2007 AND 2008

	Jan-Apr 2007	Jan-Apr 2008
Domestic Air Carrier:		
AirTran	360	508
America West ⁽¹⁾	311	-
American	2,095	2,612
Continental ⁽²⁾	2,134	1,986
Delta ⁽³⁾	1,658	1,760
Express Jet ⁽⁴⁾	104	959
Frontier	811	724
Great Lakes Airlines ⁽⁵⁾	-	719
Midwest Express ⁽⁶⁾	3,419	4,400
Northwest ⁽⁷⁾	1,895	1,847
Skybus ⁽⁸⁾	-	88
Southwest	8,066	8,255
TWA ⁽⁹⁾	-	-
United ⁽¹⁰⁾	2,062	1,927
US Airways ⁽¹¹⁾	948	2,062
Vanguard ⁽¹²⁾	-	1,391
Subtotal domestic air carrier	23,863	27,176
Commuter:		
Air Midwest	2,057	2,059
Air Wisconsin	240	131
Subtotal commuter	2,297	2,190
Foreign Air Carrier:		
Air Canada	-	-
Air Canada Jazz	114	125
Subtotal foreign carrier	114	125
Charter⁽¹³⁾	21	14
All Cargo Carrier:		
Air Cargo Carriers, Inc.	-	-
Airborne Express	152	276
BAX Global	133	148
DHL Airways	43	-
Emery Worldwide	-	-
Federal Express	350	360
Kitty Hawk International Inc.	134	-
UPS	153	160
Others ⁽¹⁴⁾	20	7
Subtotal cargo	985	951
Total all airlines	27,280	30,456

Table IV-8b (cont'd)

SCHEDULE OF COMMERCIAL AIRCRAFT LANDINGS

CALENDAR YEAR 2001 - 2007 AND JAN-APR 2007 AND 2008

	% Change 2001-02	% Change 2002-03	% Change 2003-04	% Change 2004-05	% Change 2005-06	% Change 2006-07	% Change Jan-Apr 2007-Jan-Apr 2008
Domestic Air Carrier:							
AirTran	0.0%	338.7%	16.7%	(15.4)%	23.3%	25.1%	41.1%
America West ⁽¹⁾	(6.2)	(24.8)	2.7	(10.6)	(3.3)	(52.3)	(100.0)
American	52.0	1.4	(17.9)	0.2	(19.4)	25.4	24.7
Continental ⁽²⁾	(1.1)	6.9	13.4	12.5	8.4	5.1	(6.9)
Delta ⁽³⁾	3.9	25.2	2.8	(10.5)	(17.8)	(15.4)	6.2
Express Jet ⁽⁴⁾	0.0	0.0	0.0	0.0	0.0	0.0	822.1
Frontier ⁽³⁾	29.9	3.3	52.1	9.8	1.3	0.5	(10.7)
Great Lakes Airlines ⁽⁵⁾	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Midwest Express ⁽⁶⁾	9.6	(24.0)	(0.5)	28.0	40.5	39.8	28.7
Northwest ⁽⁷⁾	(0.6)	2.4	2.6	15.5	(10.6)	(1.9)	(2.5)
Skybus ⁽⁸⁾	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Southwest	(3.2)	(3.6)	(5.1)	(9.4)	10.4	5.1	2.3
TWA ⁽⁹⁾	(100.0)	0.0	0.0	0.0	0.0	0.0	0.0
United ⁽¹⁰⁾	(2.0)	(10.0)	13.6	(21.5)	58.5	11.3	(6.5)
US Airways ⁽¹¹⁾	(22.1)	(2.9)	12.5	(11.2)	(26.3)	34.8	46.7
Vanguard ⁽¹²⁾	(30.3)	(100.0)	0.0	0.0	0.0	0.0	0.0
Subtotal domestic air carrier	(4.8)	(8.8)	(0.1)	(2.5)	4.8	15.6	13.9
Commuter:							
Air Midwest	(25.5)	(55.9)	(27.1)	5.3	28.4	72.3	0.1
Air Wisconsin	0.0	0.0	94.6	0.6	6.4	(58.4)	(45.4)
Subtotal commuter	(25.5)	(48.8)	(10.2)	3.9	22.0	39.0	(4.7)
Foreign Air Carrier:							
Air Canada	(27.5)	(76.9)	(56.4)	483.6	(98.9)	(100.0)	0.0
Air Canada Jazz	0.0	0.0	(7.7)	(88.9)	988.9	(9.7)	9.6
Subtotal foreign carrier	(27.5)	(18.7)	(21.5)	1.6	1.0	(10.6)	9.6
Charter ⁽¹³⁾	(44.4)	(46.0)	(48.9)	476.1	(89.3)	(34.7)	(33.3)
All Cargo Carrier:							
Air Cargo Carriers, Inc.	34.7	52.1	0.4	(31.4)	(100.0)	0.0	0.0
Airborne Express	(3.0)	45.0	13.4	(16.1)	(34.1)	23.9	81.6
BAX Global	(18.4)	18.5	1.9	(9.4)	(1.4)	(4.1)	11.3
DHL Airways	0.8	1.0	(0.6)	(10.8)	(56.4)	(77.4)	(100.0)
Emery Worldwide	9.9	16.5	14.2	(69.1)	(100.0)	0.0	0.0
Federal Express	20.2	(8.0)	10.8	(9.2)	(2.4)	(1.6)	2.9
Kitty Hawk International Inc.	26.0	(22.0)	3.8	(0.5)	(1.1)	(24.5)	(100.0)
UPS	(5.9)	(5.1)	2.8	(1.9)	(0.4)	(2.1)	(4.6)
Others ⁽¹⁴⁾	(100.0)	0.0	133.3	5600.0	(29.8)	(82.1)	(65.0)
Subtotal cargo	1.1	7.9	7.3	(11.8)	(26.5)	(12.0)	(3.5)
Total all airlines	(7.6)	(12.2)	(0.5)	(2.1)	3.0	15.8	11.6

⁽¹⁾Includes enplanements by Mesa Airlines. American West merged operations with U.S. Airways⁽²⁾Includes operations by Chautauqua Airlines.⁽³⁾Includes operations by Atlantic Southeast Airlines (ASA), Chautauqua Airlines, Comair, Shuttle America and Skywest Airlines.⁽⁴⁾ExpressJet began operations at Kansas City International Airport effective April 2007.⁽⁵⁾Great Lakes Airlines began operations at Kansas City International Airport effective October 2007.⁽⁶⁾Includes operations by Skyway, the designated commuter airline for Midwest Express at Kansas City International.⁽⁷⁾Includes operations by Mesaba Aviation and Pinnacle Airlines.⁽⁸⁾Skybus began operations at Kansas City International Airport effective May 2007.⁽⁹⁾Effective December 2001, TWA's enplanements are reported together with American's enplanements.⁽¹⁰⁾Includes operations by GoJet Airlines, Mesa Airlines, Shuttle America, SkyWest Airlines and Trans States Airlines.⁽¹¹⁾Includes operations by Air Wisconsin, Mesa Airlines, Inc. PSA Airlines and Republic Airlines.⁽¹²⁾On July 30, 2002, Vanguard filed for Chapter 11 bankruptcy protection and ceased all operations.⁽¹³⁾Charter Passenger category includes Allegiant Air, American Trans Air, Miami Air International and Ryan International Airlines.⁽¹⁴⁾Cargo Others include Ameriflight, Inc., Cargo Jet, Kalitta Air, Skyway Enterprise and UPS Supply Chain.

Source: Kansas City Aviation Department records. "n.a." stands for not applicable due to the recent entry into or exit from the MCI market

Table V-6

SCHEDULE OF ANNUAL PARKING REVENUE BY FACILITY

CALENDAR YEAR 1991-2003, FISCAL YEARS ENDED APRIL 30, 2003 - 2008

	Terminal Garages		Circle E		Satellite Lot		Economy Lot		Total	
	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% Change
1991	\$5,984,052	46.5%	\$2,708,800	21.1%	\$4,165,627	32.4%	-	-	\$12,858,479	-
1992	8,620,926	57.4	2,197,230	14.6	4,207,537	28.0	-	-	15,025,693	16.9%
1993	10,531,815	61.4	2,317,090	13.5	4,311,017	25.1	-	-	17,159,922	14.2
1994	12,244,426	60.7	3,117,728	15.5	4,797,534	23.8	-	-	20,159,688	17.5
1995	13,111,668	59.8	3,522,873	16.1	5,276,817	24.1	-	-	21,911,358	8.7
1996	13,599,495	55.5	4,157,381	17.0	6,746,168	27.5	-	-	24,503,044	11.8
1997	14,230,445	54.4	4,189,832	16.0	7,741,402	29.6	-	-	26,161,679	6.8
1998	17,562,618	58.5	4,036,496	13.4	8,432,502	28.1	-	-	30,031,616	14.8
1999	18,125,006	58.8	3,573,169	11.6	9,122,890	29.6	-	-	30,821,065	2.6
2000	18,306,789	58.1	3,764,175	11.9	9,441,256	30.0	-	-	31,512,220	2.2
2001	16,432,640	56.4	3,533,783	12.1	9,192,771	31.5	-	-	29,159,194	(7.5)
2002	15,986,278	52.9	3,970,522	13.1	10,261,788	34.0	-	-	30,218,588	3.6
2003	16,024,067	51.8	4,042,477	13.1	10,880,497	35.1	-	-	30,947,041	2.4

	Terminal Garages		Circle E		Economy ⁽¹⁾		Other		Total	
	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% Change
FYE03	\$15,746,191	49.4%	\$4,021,795	12.6%	\$10,776,766	33.8%	\$1,324,389	4.2%	\$31,869,141	-
FYE04	16,497,560	49.6	4,110,987	12.3	11,072,774	33.3	1,612,029	4.8	33,293,350	4.5%
FYE05	16,906,542	48.9	4,239,169	12.2	11,821,526	34.2	1,639,988	4.7	34,607,225	3.9
FYE06	18,511,844	51.8	4,341,514	12.1	11,698,517	32.7	1,218,066	3.4	35,769,941	3.4
FYE07 ⁽²⁾	20,876,486	52.2	4,847,065	12.1	13,098,510	32.7	1,210,880	3.0	40,032,941	11.9
FYE08 ⁽³⁾	23,393,010	53.2	4,920,006	11.2	14,261,637	32.4	1,432,352	3.2	44,007,005	9.9

⁽¹⁾The Economy Lot replaced the Satellite Lot in January 2004.

⁽²⁾FYE07, Terminal Garages: A, \$6,013,307; B, \$9,351,963; C, \$5,511,216.

⁽³⁾FYE08, Terminal Garages: A, \$6,886,882; B, \$9,862,711; C, \$6,643,417.

Table VI-10

SCHEDULE OF HISTORICAL AIRLINE COST PER ENPLANED PASSENGER
 FOR THE LAST TEN FISCAL YEARS*

	Airfield Fees ⁽¹⁾	Terminal Building	Terminal Apron	Passenger Boarding Bridges	Total	Enplaned Passengers ⁽²⁾	Cost per Enplaned Passenger
FYE99	\$ -	\$ -	\$ -	\$ -	\$ -	5,642,953	\$0.00
FYE00	-	-	-	-	-	6,008,059	0.00
FYE01	8,155,158	7,115,268	2,591,819	-	17,862,245	6,145,608	2.91
FYE02	8,027,629	8,099,347	2,559,897	-	18,686,873	5,593,527	3.34
FYE03	8,628,009	6,699,753	2,638,202	-	17,965,964	4,987,421	3.60
FYE04	8,534,887	6,637,060	1,694,001	750,258	17,616,206	4,905,086	3.59
FYE05	8,518,469	6,767,040	1,609,869	727,236	17,622,614	5,036,889	3.50
FYE06	9,787,460	8,265,270	1,159,624	1,122,862	20,335,216	5,112,330	3.98
FYE07 ⁽³⁾	11,518,934	8,798,380	1,486,668	616,804	22,420,786	5,610,488	4.00
FYE08 ⁽³⁾	12,174,446	9,919,574	1,897,767	609,352	24,601,139	5,905,988	4.17

*Airline costs prior to FY01 were calculated using a different method of cost allocation and therefore only eight fiscal years of data is being presented.

⁽¹⁾Excludes airfield fees paid by cargo carriers.

⁽²⁾Enplanements on a fiscal year basis, annual enplanements shown on Table IV-1, which are presented on a calendar year basis.

⁽³⁾Reflects Use and Lease Agreement. Amounts provided are preliminary settlement amounts and are subject to change.

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Table VI-2

SCHEDULE OF TOTAL AIRPORT SYSTEM REVENUE AND EXPENSES⁽¹⁾

FOR THE LAST TEN FISCAL YEARS

	FYE1999	FYE2000	FYE2001	FYE2002
Net revenues available for GARB debt service:				
Total revenues	\$76,123,316	\$76,530,240	\$85,661,307	\$78,092,196
Total expenses	(34,094,820)	(36,785,722)	(41,870,632)	(52,876,746)
Net revenues	<u>\$42,028,496</u>	<u>\$39,744,518</u>	<u>\$43,790,675</u>	<u>\$25,215,450</u>
Revenues and expenses per GAAP:				
Operating revenues	\$66,922,781	\$67,634,777	\$69,611,575	\$67,220,241
Operating expenses	(61,632,724)	(62,133,918)	(65,437,753)	(75,680,915)
Operating income(loss)	<u>\$ 5,290,057</u>	<u>\$ 5,500,859</u>	<u>\$ 4,173,822</u>	<u>\$(8,460,674)</u>
Other income, net	15,382,302	12,846,456	26,802,088	22,898,785
Net income per GAAP	<u>\$20,672,359</u>	<u>\$18,347,315</u>	<u>\$30,975,910</u>	<u>\$14,438,111</u>
Add back: ⁽²⁾				
Depreciation expense	\$17,779,943	\$21,075,416	\$21,632,145	\$22,630,206
Repairs and maintenance expense paid from deferred maintenance account	9,757,961	1,444,067	-	-
Interest expense on bonds	9,522,835	8,919,383	8,428,713	12,280,379
Repayment of FAA grants for Richards-Gebaur ⁽³⁾			-	5,517,238
Amortization of bond costs	60,793	29,767	50,378	105,513
Non-operating expense	-	-	-	-
Deduct: ⁽⁴⁾				
PFC revenue	(15,752,125)	(16,409,710)	(17,207,518)	(16,134,494)
Operating grant revenue	-	-	(123,049)	(1,223,993)
Capital grant revenue	-	-	-	(9,118,124)
Interest income on PFCs and bond accounts ⁽⁵⁾	-	-	(1,324,020)	(5,029,598)
Other adjustments	(13,270)	(459,485)	1,358,116	1,750,212
Non-operating revenue ^{(6) (7)}			-	-
Richards-Gebaur operating revenues			-	-
Net revenues available for debt service	<u>\$42,028,496</u>	<u>\$39,744,518</u>	<u>\$43,790,675</u>	<u>\$25,215,450</u>

⁽¹⁾ Summarizes the operating results in accordance with GAAP and the methodology set forth in the GARB bond ordinances, and a reconciliation between the two methodologies.⁽²⁾ Included in expenses presented pursuant to GAAP, but not included in expenses for operating and maintaining the airports pursuant to the bond ordinances.⁽³⁾ Due to the closing of Richards-Gebaur, the Department repaid the FAA for grant funds (plus interest) received for Richards-Gebaur in prior years.⁽⁴⁾ Included in revenues presented pursuant to GAAP, but not included in revenues available to pay debt service on GARBs pursuant to the bond ordinances.⁽⁵⁾ Interest income on unspent PFC funds; unspent Series 2001 PFC Bond proceeds; and the balances in the accounts established pursuant to the bond ordinances.⁽⁶⁾ The FYE02 adjustments in the bottom of the table have been restated since the continuing disclosure information was prepared in 2003.⁽⁷⁾ The FYE03 adjustments in the bottom of the table have been restated since the continuing disclosure information was prepared in 2004.

FYE2003	FYE2004	FYE2005	FYE2006	FYE2007	FYE2008
\$77,079,062	78,036,771	\$78,772,476	\$91,936,829	\$111,329,083	\$121,706,362
(51,131,232)	(49,211,704)	(50,470,970)	(60,055,642)	(71,482,311)	(77,937,107)
<u>\$25,947,830</u>	<u>\$28,825,067</u>	<u>\$28,301,506</u>	<u>\$31,881,187</u>	<u>\$39,846,772</u>	<u>\$43,769,255</u>
\$68,051,446	\$69,373,717	\$70,918,962	\$80,379,819	\$95,455,051	104,106,482
(78,424,159)	(77,821,730)	(89,408,880)	(109,676,767)	(125,426,950)	(135,967,103)
<u>\$(10,372,713)</u>	<u>\$(8,448,013)</u>	<u>\$(18,489,918)</u>	<u>\$(29,296,948)</u>	<u>\$(29,971,899)</u>	<u>(31,860,621)</u>
23,240,441	19,612,586	14,384,747	52,963,041	36,542,423	48,083,552
<u>\$12,867,728</u>	<u>\$11,164,573</u>	<u>\$(4,105,171)</u>	<u>\$23,666,093</u>	<u>\$ 6,570,524</u>	<u>\$16,222,931</u>
\$27,159,055	\$28,400,493	\$38,649,530	\$49,267,402	\$53,587,091	57,672,448
-	-	-	-	-	-
15,698,287	9,324,298	14,675,769	19,186,893	18,105,307	18,883,495
-	-	-	-	-	-
133,872	209,533	288,380	353,723	357,548	357,548
348,165	91,017	328,082	2,885,999	273,960	182,266
(13,686,560)	(13,879,589)	(13,655,542)	(20,252,999)	(24,097,730)	(23,822,136)
(3,022,340)	(936,958)	(136,058)	(130,359)	(168,117)	(185,220)
(7,450,857)	(3,258,011)	(5,816,648)	(40,897,885)	(11,915,287)	(20,731,257)
(5,270,678)	(741,224)	(61,522)	(750,752)	(1,195,972)	(1,782,281)
-	-	-	-	-	-
(163,840)	(187,230)	(614,809)	(210,810)	(377,681)	(2,923,404)
<u>(665,002)</u>	<u>(1,361,835)</u>	<u>(1,250,505)</u>	<u>(1,236,118)</u>	<u>(1,292,871)</u>	<u>(105,135)</u>
<u>\$25,947,830</u>	<u>\$28,825,067</u>	<u>\$28,301,506</u>	<u>\$31,881,187</u>	<u>\$39,846,772</u>	<u>\$43,769,255</u>

Table VI-3

SCHEDULE OF HISTORICAL OPERATING AND MAINTENANCE EXPENSES

FOR THE LAST TEN FISCAL YEARS

	FYE1999	FYE2000	FYE2001	FYE2002	FYE2003
By expense category:					
Salaries, wages, and employee benefits	\$16,959,299	\$18,108,645	\$18,292,675	\$20,509,675	\$22,365,738
Contractual services	10,742,513	11,994,359	15,925,308	25,528,489	26,280,324
Utilities	3,128,787	3,146,221	3,871,593	3,340,415	-
Commodities and supplies	2,825,152	2,561,678	3,091,249	2,515,840	2,485,170
Property and liability insurance	439,069	974,819	689,807	982,327	-
Total operating and maintenance expenses	<u>\$34,094,820</u>	<u>\$36,785,722</u>	<u>\$41,870,632</u>	<u>\$52,876,746</u>	<u>\$51,131,232</u>
By cost center:					
Airline cost centers:					
Direct:					
Airfield	\$ 1,602,301	\$ 2,561,608	\$ 1,804,996	\$ 1,874,311	\$ 2,082,982
Terminal buildings ⁽¹⁾	3,128,184	2,724,334	2,890,832	5,651,782	6,433,716
Terminal aprons	566,939	870,544	705,117	780,214	850,807
Passenger boarding bridges ⁽²⁾	-	-	-	583,101	669,095
Indirect:					
General administrative	9,739,955	10,702,588	10,662,670	11,257,435	12,892,215
Airport police	2,684,917	3,153,734	3,436,643	4,256,731	5,243,102
Heating, cooling, and ventilation	2,069,262	2,589,673	3,141,574	-	-
ARFF	1,489,710	1,714,034	2,320,543	2,513,127	2,474,258
Terminal building structural	1,202,302	1,726,945	1,557,511	-	-
Field maintenance administration	909,367	901,968	819,091	821,583	862,717
Other ⁽³⁾	1,646,316	1,161,999	1,154,257	1,149,925	1,303,520
Total - Airline cost centers	<u>25,039,253</u>	<u>28,107,427</u>	<u>28,493,234</u>	<u>28,888,209</u>	<u>32,812,412</u>
Nonairline cost centers⁽⁴⁾	<u>9,055,567</u>	<u>8,678,295</u>	<u>13,377,398</u>	<u>23,988,537</u>	<u>18,318,820</u>
Total operating and maintenance expenses	<u>\$34,094,820</u>	<u>\$36,785,722</u>	<u>\$41,870,632</u>	<u>\$52,876,746</u>	<u>\$51,131,232</u>

⁽¹⁾In order to simplify the cost center listing, the heating, cooling, and ventilation cost center and the terminal building structural cost center are combined into the terminal building cost center for FYE02 - FYE04. Both of those cost centers are allocated 100% to the terminal building cost center.

⁽²⁾The passenger boarding bridges cost center was added as a separate cost center effective FYE2002.

⁽³⁾"Other" represents the following indirect cost centers: ambulance service, apron security posts, support area roads, inter-terminal bus, mobile response, law enforcement officers (LEOs) and baggage handling maintenance.

⁽⁴⁾Operating and maintenance expenses for the following facilities are not charged to the airlines: public parking lots, public parking garage, employee parking facilities, general aviation area, taxicab shelters, and other miscellaneous non-airline facilities.

⁽⁵⁾A new Use and Lease Agreement became effective on May 1, 2005 maintaining four direct cost centers and eliminating 7 indirect cost centers.

FYE2004	FYE2005	FYE2006 ⁽⁵⁾	FYE2007 ⁽⁵⁾	FYE2008 ⁽⁵⁾
\$21,120,771	\$22,168,647	\$24,007,384	\$25,022,038	\$27,455,554
25,474,042	25,680,324	33,071,060	42,447,274	46,220,645
-	-	-	-	-
2,616,891	2,621,999	2,977,198	4,012,999	4,260,908
-	-	-	-	-
<u>\$49,211,704</u>	<u>\$50,470,970</u>	<u>\$60,055,642</u>	<u>\$71,482,311</u>	<u>\$77,937,107</u>

\$ 2,228,110	\$ 3,770,627	\$ 9,652,301	\$12,575,269	\$14,208,042
4,845,484	5,275,536	18,938,426	22,419,935	23,817,480
862,742	947,392	1,132,334	1,825,048	2,023,976
735,256	823,947	1,486,639	16,889	12,379
11,671,654	12,993,082	-	-	-
4,733,097	4,614,541	-	-	-
-	-	-	-	-
2,544,812	2,585,979	-	-	-
-	-	-	-	-
929,613	1,034,322	-	-	-
2,730,044	2,021,550	-	-	-
<u>31,280,812</u>	<u>34,066,976</u>	<u>31,209,700</u>	<u>36,837,141</u>	<u>40,061,877</u>
<u>17,930,892</u>	<u>16,403,994</u>	<u>28,845,942</u>	<u>34,645,170</u>	<u>37,875,230</u>
<u>\$49,211,704</u>	<u>\$50,470,970</u>	<u>\$60,055,642</u>	<u>\$71,482,311</u>	<u>\$77,937,107</u>

Table VI-5
SCHEDULE OF HISTORICAL REVENUES⁽¹⁾
 FOR THE LAST TEN FISCAL YEARS

	FYE1999	FYE2000	FYE2001	FYE2002	FYE2003
Airfield:					
Landing fees	\$10,215,812	\$ 8,295,142	\$ 9,043,841	\$ 9,018,013	\$ 9,635,966
Fuel flowage fees	<u>696,332</u>	<u>762,666</u>	<u>571,403</u>	<u>515,391</u>	<u>568,694</u>
Total airfield	10,912,144	9,057,808	9,615,244	9,533,404	10,204,660
Terminal:					
Terminal building:					
Airline terminal	7,074,324	6,974,131	7,115,268	8,099,347	6,699,753
Other terminal	<u>436,987</u>	<u>238,213</u>	<u>205,986</u>	<u>649,305</u>	<u>791,127</u>
Concessions:					
Food and beverage	955,015	1,069,010	1,142,622	593,852	630,950
News and gifts	1,143,546	1,212,563	1,296,798	1,297,957	765,728
Other concessions.	<u>803,688</u>	<u>829,216</u>	<u>750,401</u>	<u>614,791</u>	<u>498,285</u>
Terminal apron area	<u>2,036,086</u>	<u>1,813,613</u>	<u>2,591,819</u>	<u>2,559,897</u>	<u>1,851,504</u>
Total terminal	12,449,646	12,136,746	13,102,894	13,815,149	11,237,347
Parking revenue	30,997,010	32,094,178	31,993,244	29,557,225	31,654,833
Rental car revenue	6,645,197	7,594,848	7,773,928	7,238,643	7,290,691
Transportation facility charge ⁽²⁾	-	-	-	-	-
Aviation service area	3,400,697	3,966,792	3,506,368	4,036,332	3,782,221
Other prop/revenue	2,584,109	3,200,324	3,620,506	3,119,611	3,216,692
Customer facility charges ⁽³⁾	-	-	1,776,234	6,186,432	5,792,046
Earnings on cash and investments	<u>9,134,513</u>	<u>8,479,544</u>	<u>14,272,889</u>	<u>4,605,400</u>	<u>3,900,572</u>
Total revenue	\$76,123,316	\$76,530,240	\$85,661,307	\$78,092,196	\$77,079,062

⁽¹⁾Revenues presented in accordance with the methodology set forth in the GARB bond ordinances.

⁽²⁾The Department began collecting rental car Transportation Facility Charge ("TFC") Revenues on November 1, 2005.

⁽³⁾The Department began collecting rental car Customer Facility Charge ("CFC") Revenues on January 1, 2001.

FYE2004	FYE2005	FYE2006	FYE2007	FYE2008	% Change
\$ 9,545,944	\$ 9,358,585	\$11,003,143	\$12,379,738	\$13,144,091	6.2%
<u>682,166</u>	<u>680,383</u>	<u>658,951</u>	<u>637,822</u>	<u>755,257</u>	<u>18.4</u>
10,228,110	10,038,968	11,662,094	13,017,560	13,899,348	6.8
6,637,060	6,726,506	8,085,546	8,798,380	9,919,574	12.7
<u>750,258</u>	<u>733,539</u>	<u>1,029,182</u>	<u>616,804</u>	<u>609,352</u>	<u>(1.2)</u>
587,303	1,094,493	1,573,199	1,744,031	2,122,205	21.7
862,171	1,398,479	1,639,272	1,149,030	1,224,245	6.5
439,099	423,383	542,042	665,117	312,502	(53.0)
<u>1,694,001</u>	<u>1,896,698</u>	<u>1,838,118</u>	<u>1,486,668</u>	<u>1,897,767</u>	<u>27.7</u>
10,969,892	12,273,098	14,707,359	14,460,030	16,085,645	11.2
33,089,817	34,450,836	35,606,188	40,032,941	44,007,005	9.9
7,864,913	7,829,509	8,372,860	8,817,410	10,695,864	21.3
-	-	1,760,366	4,296,620	4,540,222	5.7
3,559,507	2,679,955	4,594,393	10,576,261	9,728,175	(8.0)
2,299,644	2,396,089	2,440,441	2,961,357	5,045,088	70.4
5,886,939	5,976,731	6,147,691	6,456,360	6,809,736	5.5
<u>4,137,949</u>	<u>3,127,290</u>	<u>6,645,437</u>	<u>10,710,544</u>	<u>10,895,280</u>	<u>1.7</u>
<u>\$78,036,771</u>	<u>\$78,772,476</u>	<u>\$91,936,829</u>	<u>\$111,329,083</u>	<u>\$121,706,363</u>	<u>9.3</u>

Table VI-13

SCHEDULE OF PFC REVENUES

FOR THE LAST TEN FISCAL YEARS

	1999	2000	2001	2002	2003
Total enplanements [A] ⁽¹⁾	5,642,953	6,008,059	6,145,608	5,593,527	4,987,421
% of PFC enplaned passengers [B]	<p>This information was presented in the Report of the Airport Consultant on a projected basis to calculate projected PFC revenues. However, this calculation is not relevant for the presentation of historical PFC Revenues.</p>				
PFC enplaned passengers [C = A x B]					
PFC exempt air carriers [D]					
PFC eligible enplanements [E= C-D]					
PFC rate [F]					
PFC revenues [G = E x F] ⁽²⁾	\$15,752,125	\$16,409,710	\$17,207,518	\$16,134,494	\$13,686,560

	2004	2005	2006	2007	2008
Total enplanements [A] ⁽¹⁾	4,905,086	5,036,889	5,112,330	5,610,488	5,905,988
% of PFC enplaned passengers [B]	<p>This information was presented in the Report of the Airport Consultant on a projected basis to calculate projected PFC revenues. However, this calculation is not relevant for the presentation of historical PFC Revenues.</p>				
PFC enplaned passengers [C = A x B]					
PFC exempt air carriers [D]					
PFC eligible enplanements [E= C-D]					
PFC rate [F]					
PFC revenues [G = E x F] ⁽²⁾	\$13,879,589	\$13,655,542	\$20,252,999	\$24,097,730	\$23,822,136

⁽¹⁾Fiscal year enplanements from Table VI-10.⁽²⁾PFC revenues are obtained from the Department's audited financial statements. June 2005 was the initial allowable increase in the PFC rate from \$3.00 to \$4.50.

Table VI-14

SCHEDULE OF PFC BOND SUFFICIENCY COVENANT
FOR THE LAST SEVEN FISCAL YEARS*
(IN \$ MILLIONS, EXCEPT SUFFICIENCY TEST COVENANT)

	FYE2002	FYE2003	FYE2004	FYE2005	FYE2006
Sufficiency covenant:					
PFC authority ⁽¹⁾	\$338.9	\$338.9	\$338.9	\$377.1	\$377.1
Less:					
PFC Pay-As-You-Go costs paid to date ⁽²⁾	(85.1)	(81.0)	(79.6)	(95.1)	(88.2)
PFC Pay-As-You-Go contractual commitments ⁽³⁾	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Debt service paid to date on the Series 2001 Bonds	(4.5)	(15.0)	(25.4)	(35.8)	(46.1)
Projected debt service on any junior lien bonds	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Plus:					
Funds on deposit on any junior lien bonds	0.0	0.0	0.0	0.0	0.0
Subtotal (A)	\$249.3	\$242.9	\$233.9	\$246.2	\$242.8
Debt service requirements (B)	\$232.5	\$231.0	\$220.1	\$209.8	\$199.5
Sufficiency test covenant (must be at least 1.05) (A/B)	1.07	1.05	1.06	1.17	1.22

	FYE2007	FYE2008
Sufficiency covenant:		
PFC authority ⁽¹⁾	\$425.0	\$425.0
Less:		
PFC Pay-As-You-Go costs paid to date ⁽²⁾	(115.5)	(115.6)
PFC Pay-As-You-Go contractual commitments ⁽³⁾	(0.0)	(0.0)
Debt service paid to date on the Series 2001 Bonds	(56.3)	(66.5)
Projected debt service on any junior lien bonds	(0.0)	(0.0)
Plus:		
Funds on deposit on any junior lien bonds	0.0	0.0
Subtotal (A)	\$253.2	\$242.9
Debt service requirements (B)	\$189.2	\$179.1
Sufficiency test covenant (must be at least 1.05) (A/B)	1.34	1.36

*The PFC Bonds were issued in FYE2002 (August 2001), and therefore only seven fiscal years of data is being presented.

⁽¹⁾PFC Authority approved by the FAA.

⁽²⁾Includes PFC Pay-As-You-Go costs related to approved PFC applications.

⁽³⁾PFC Pay-As-You-Go contractual commitments that have not yet been paid. For purposes of this analysis, it is assumed that all contractual commitments are paid as incurred.

SCHEDULE OF POPULATION

Metropolitan Statistical Area and Air Service Area

	Square Miles	1980	1990	2000	2007 ⁽¹⁾
Metropolitan Statistical Area (MSA):					
Missouri:					
Bates	848	15,873	15,025	16,653	17,034
Caldwell	429	8,660	8,380	8,969	9,284
Cass	699	51,029	63,808	82,092	97,133
Clay	396	136,488	153,411	184,006	211,952
Clinton	419	15,916	16,595	18,979	20,894
Jackson	605	629,266	633,232	654,880	666,890
Lafayette	629	29,931	31,107	32,960	32,677
Platte	420	46,341	57,867	73,781	84,881
Ray	570	21,378	21,971	23,354	23,482
Kansas:					
Franklin	574	22,062	21,994	24,784	26,479
Johnson	477	270,269	355,054	451,086	526,319
Leavenworth	463	54,809	64,371	68,691	73,603
Linn	599	8,234	8,254	9,570	9,767
Miami	577	21,618	23,466	28,351	31,078
Wyandotte	151	172,335	161,993	157,882	153,956
Total MSA	7,856	1,504,209	1,636,528	1,836,038	1,985,429
Air Service Area (ASA):					
Missouri:					
Buchanan	410	87,888	83,083	85,998	86,485
Kansas:					
Douglas	465	67,640	81,798	99,962	113,488
Total ASA	875	155,528	164,881	185,960	199,973
Total area	8,731	1,659,737	1,801,409	2,021,998	2,185,402

Source: www.census.gov⁽¹⁾U.S. Census Bureau, 2007 population estimate.

SCHEDULE OF PRINCIPAL EMPLOYERS⁽³⁾
KANSAS CITY METROPOLITAN AREA

<u>Employers</u>	<u>Type of Business</u>	<u>No. of Employees**</u>	<u>Percent of Total City Employment</u>
Federal Government	Government	38,900	3.86%
Public School System ⁽¹⁾	Education	30,960	3.07
State/County/City Government ⁽²⁾	Government	25,533	2.53
Sprint Nextel Corporation	Network technology	14,500	1.44
HCA Midwest Health System	Health care provider	6,937	0.69
McDonald's USA LLC	Quick-service restaurant	5,600	0.56
St. Luke's Health Systems	Health care provider	5,348	0.53
Ford Motor Co., KC Assembly Plant	Car and truck manufacturing	4,683	0.46
DST Systems, Inc.	Information processing and computer software services	4,600	0.46
UPS	Shipping	4,500	0.45
Cerner Corporation	Health care information technology	4,482	0.44
AT&T	Telecommunication	4,480	0.44
Hallmark Cards, Inc.	Greeting cards, expression products, television programming	4,300	0.43
Children's Mercy Hospitals and Clinics	Pediatric specialty health care	3,825	0.38
Black & Veatch	Global engineering consulting and construction	3,600	0.36
Total employment Kansas City MSA		1,007,400	

⁽¹⁾The number of local employees for the public school systems is made up of twelve public school systems and districts.

⁽²⁾The number of local employees for the State/County/City Government is made up of seven employers.

⁽³⁾Source: Top Public-Sector Employers, *Kansas City Business Journal*, April 13, 2007, and Top 100 Area Private Sector Employers, *Kansas City Business Journal*, April 20, 2007.

**Note: The City does not undertake continuously to update this table. The information presented in this table speaks only as of the date indicated in the source. Layoffs or developments after this date is not presented, and they can render some information in the table to be inaccurate.

SCHEDULE OF RATES AND CHARGES

	FYE2003	FYE2004	FYE2005	FYE2006	FYE2007	FYE2008
Landing fee, signatory (per 1,000lbs.)	\$ 1.07	\$ 1.10	\$ 1.10	\$ 1.35	\$ 1.43 ⁽²⁾	\$1.51 ⁽³⁾
Terminal aircraft apron (lineal foot)	284.11	284.11	258.11	202.33	196.72 ⁽²⁾	224.39 ⁽³⁾
Terminal building (per sq.ft.)	27.90	27.90	24.41	24.39	26.67 ⁽²⁾	26.90 ⁽³⁾
Passenger boarding bridges (per month)	1,671.45	1,671.45	1,807.00	2,592.00	1,407.75 ⁽²⁾	1,031.58 ⁽³⁾
Passenger facility charges (per enplanement)	3.00	3.00	3.00	4.50	4.50	4.50
Customer facility fees (per contract day)	3.00	3.00	3.00	3.00	3.00	3.00
Transportation facility charge	-	-	-	2.00	2.00	2.00
Remaining over night parking fee	125.00	125.00	125.00	125.00	129.00	133.00
FIS custom facility use fee	2.50	2.50	2.50	2.50	2.50	2.50
Employee parking (changed Jan 03)	24.00	24.00	24.00	24.00	24.00	24.00
Tenant terminal parking fee (per month)		35.00	35.00	35.00	35.00	60.00
Taxicab/Limousine fee (per pickup)		1.00	1.00	1.00	1.00	1.00
Shuttle fee (per trip, min. \$30 per month)		0.50	0.50	0.50	0.50	0.50
Fuel flowage fee (per gallon) ⁽¹⁾			0.073	0.080	0.080	0.080

Parking:

<u>Facility</u>	<u>Time Period</u>					
Terminal parking lot A, B, and C	0 - 1/2hr.	Free	Free	Free	Free	Free
	1/2 - 1hr.	\$ 1.00	\$ 1.00	\$ 1.00	\$ 2.00	\$ 2.00
	1 - 2 hrs.	2.00	2.00	2.00	4.00	4.00
	2 - 3 hrs.	4.00	4.00	4.00	6.00	6.00
	3 - 4 hrs.	6.00	6.00	6.00	8.00	8.00
	4 - 5 hrs.	8.00	8.00	8.00	10.00	10.00
	5 - 6 hrs.	10.00	10.00	10.00	12.00	12.00
	6 - 7 hrs.	12.00	12.00	12.00	14.00	14.00
	7 - 8 hrs.	14.00	14.00	14.00	16.00	16.00
	8 - 9 hrs.	16.00	16.00	16.00	18.00	18.00
	9 - 24hrs. daily maximum	18.00	18.00	18.00	18.00	18.00
Circle parking lot E	0 - 1/2 hr.	Free	Free	Free	Free	Free
	1/2 - 1 hr.	\$ 1.00	\$ 1.00	\$ 1.00	\$ 2.00	\$ 2.00
	1 - 2 hrs.	2.00	2.00	2.00	4.00	4.00
	2 - 3 hrs.	4.00	4.00	4.00	6.00	6.00
	3 - 4 hrs.	6.00	6.00	6.00	8.00	8.00
	4 - 5 hrs.	8.00	8.00	8.00	10.00	10.00
	5 - 24hrs. daily maximum	10.00	10.00	10.00	12.00	12.00
Economy parking lot	0 - 1/2hr.	Free	Free	Free	Free	Free
	1/2 - 24hrs.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.50	\$ 5.50

⁽¹⁾ Fuel flowage increase implemented April 1, 2006⁽²⁾ Rates and Charges per FYE07 Settlement⁽³⁾ Rates and Charges contain budgeted amounts; FYE08 Settlement pending

SCHEDULE OF FACILITY INFORMATION

Kansas City International Airport

Size (acres): 10,725
Elevation (ft): 1,026
Airport code: MCI

Runways: 1L/19R 10,801 x 150ft
1R/19L 9,500 x 150ft
9 /27 9,500 x 150ft

Terminal information:

	<u>Terminal A</u>	<u>Terminal B</u>	<u>Terminal C</u>	<u>Total</u>
Boarding gates	25	19	22	66
Passenger boarding bridges	17	16	17	50
Food and beverages areas	8	13	7	28
News/gifts area	6	5	4	15
Business traveler services areas	2	4	3	9

Parking (number of spaces):

Terminal A 2,000
Terminal B 2,000
Terminal C 2,200
Circle "E" 1,750
Economy A 3,734
Economy B 5,917
Economy C 5,612
Total all public lots 23,213

Employee parking 1,500

Charles B. Wheeler Downtown Airport

Size (acres): 697
Elevation (ft): 759
Airport code: MKC

Runways: 1/19 7,002 x 150ft
3/21 5,050 x 150ft

Operations:

<u>Year</u>	<u>Domestic Air Carrier</u>	<u>Commuter/ Air Taxi</u>	<u>All-Cargo</u>	<u>General Aviation</u>	<u>Military</u>	<u>Total</u>
2002	82	20,166	0	103,079	1,133	124,460
2003	34	19,213	0	97,434	830	117,511
2004	42	19,922	0	86,630	1,056	107,650
2005	16	15,028	0	85,871	564	101,479
2006	26	14,124	0	68,900	678	83,728
2007	101	16,910	0	79,759	1,154	97,924

Richards-Gebaur

Size (acres): 53.48

SCHEDULE OF DEPARTMENT OF AVIATION OPERATING EXPENDITURES BY DIVISION

Division	Salaries, Wages and Employee Benefits				Contractual Services			
	FYE04	FYE05	FYE06	FYE07	FYE04	FYE05	FYE06	FYE07
Administration	\$ 967,240	\$ 794,016	\$ 952,418	\$ 999,609	\$ 1,016,445	\$ 200,862	\$ 638,037	\$ 1,451,787
Accounting and Finance	1,163,849	1,495,603	1,269,353	1,325,829	417,182	964,740	544,386	476,418
Information Technology	641,965	454,327	597,325	544,910	1,915,058	2,387,423	1,046,069	891,264
Engineering	801,268	994,181	906,155	843,760	469,917	241,313	250,614	366,439
Human Resources	270,407	255,668	154,819	212,142	250,164	226,312	184,831	177,244
Marketing	493,259	517,218	546,031	609,661	744,926	919,874	1,092,109	1,076,772
Economic Development	786,530	728,537	699,568	655,193	1,680,421	1,878,810	4,550,436	7,100,311
CBW Downtown Airport	608,136	684,930	757,625	733,694	731,003	678,772	710,650	685,702
Richards-Gebaur	-	-	-	-	253,031	193,141	89,663	353,751
Operations	726,888	764,571	923,217	887,990	2,562,922	2,610,554	2,592,112	2,678,137
Airport Police	4,541,523	4,512,540	5,037,296	5,148,503	1,975,026	1,872,778	1,951,223	2,073,535
Field Maintenance	2,475,102	2,590,070	2,839,374	3,323,323	541,790	494,655	479,974	491,223
Fleet Maintenance	755,607	755,446	865,127	957,625	270,264	381,247	663,510	576,137
Facilities Custodial	3,003,633	3,235,297	3,315,372	3,196,643	820,862	893,258	809,399	811,930
Facilities Structural	1,482,091	1,465,550	1,628,172	1,754,338	5,340,259	6,087,855	9,989,406	15,012,588
Parking and Bus	2,403,273	2,826,189	3,051,577	3,328,585	3,495,477	4,016,427	5,339,132	5,187,726
Environmental Management	-	94,504	314,885	293,131	106,072	462,035	418,686	547,200
Safety	-	-	149,070	205,744	-	-	22,497	118,452
Art and Aesthetics	-	-	-	-	-	5,156	4,781	-
Maintenance projects	-	-	-	1,358	2,883,223	1,165,112	1,693,545	2,370,658
Total	\$21,120,771	\$22,168,647	\$24,007,384	\$25,022,038	\$25,474,042	\$25,680,324	\$33,071,060	\$42,447,274

Division	Salaries, Wages and Employee Benefits		Contractual Services	
	FYE08		FYE08	
Administration	\$ 1,033,755		\$ 650,486	
Accounting and Finance	1,300,162		472,340	
Information Technology	706,043		857,235	
Engineering	977,928		448,112	
Human Resources	190,624		155,301	
Marketing	607,333		1,276,669	
Economic Development	796,733		7,663,731	
Parking Operations	-		1,974,675	
CBW Downtown Airport	826,618		810,769	
Richards-Gebaur	-		9,594	
Ambassador Building	-		567,975	
Operations	1,035,752		3,366,964	
Airport Police	5,588,259		1,940,110	
Field Maintenance	3,673,682		564,386	
Fleet Maintenance	1,027,575		734,319	
Facilities Custodial	3,722,864		824,939	
Facilities Structural	1,938,849		15,459,055	
Bus Operations	3,525,562		3,913,584	
Environmental Management	310,210		827,507	
Safety	193,643		128,796	
Art and Aesthetics	-		49,324	
Maintenance projects	(38)		3,524,774	
Total	\$ 27,455,554		\$ 46,220,645	

Commodities				Total			
FYE04	FYE05	FYE06	FYE07	FYE04	FYE05	FYE06	FYE07
\$ 22,682	\$ 28,562	\$ 18,496	\$ 34,084	\$ 2,006,367	\$ 1,023,440	\$ 1,608,951	\$ 2,485,480
16,820	11,375	71,895	51,607	1,597,851	2,471,718	1,885,634	1,853,854
75,732	129,909	212,921	177,723	2,632,755	2,971,659	1,856,315	1,613,897
18,336	11,706	12,723	18,529	1,289,521	1,247,200	1,169,492	1,228,728
8,251	2,405	4,719	6,400	528,822	484,385	344,369	395,786
10,755	11,538	12,579	7,390	1,248,940	1,448,630	1,650,719	1,693,823
106,927	24,923	149,831	158,386	2,573,878	2,632,270	5,399,835	7,913,890
116,643	169,746	185,612	165,956	1,455,782	1,533,448	1,653,887	1,585,352
-	-	-	-	253,031	193,141	89,663	353,751
16,615	33,360	30,287	13,541	3,306,425	3,408,485	3,545,616	3,579,668
97,021	50,633	100,732	74,770	6,613,570	6,435,951	7,089,251	7,296,808
957,170	1,034,746	917,819	1,501,777	3,974,062	4,119,471	4,237,167	5,316,323
567,356	681,273	791,071	909,259	1,593,227	1,817,966	2,319,708	2,443,021
432,885	288,271	363,383	427,572	4,257,380	4,416,826	4,488,154	4,436,145
158,239	120,792	87,368	440,599	6,980,589	7,674,197	11,704,946	17,207,525
11,459	13,921	9,458	15,763	5,910,209	6,856,537	8,400,167	8,532,074
-	8,839	5,849	4,549	106,072	565,378	739,420	844,880
-	-	2,455	5,059	-	-	174,022	329,255
-	-	-	-	-	5,156	4,781	-
-	-	-	35	2,883,223	1,165,112	1,693,545	2,372,051
<u>\$ 2,616,891</u>	<u>\$ 2,621,999</u>	<u>\$ 2,977,198</u>	<u>\$ 4,012,999</u>	<u>\$49,211,704</u>	<u>\$50,470,970</u>	<u>\$60,055,642</u>	<u>\$71,482,311</u>

Commodities		Total	
FYE08		FYE08	
\$ 42,305		\$ 1,726,546	
41,410		1,813,912	
201,128		1,764,406	
14,612		1,440,652	
5,436		351,361	
12,560		1,896,562	
606,511		9,066,975	
21,712		1,996,387	
174,968		1,812,355	
-		9,594	
19,078		587,053	
45,644		4,448,360	
383,597		7,911,966	
1,391,052		5,629,120	
477,219		2,239,113	
483,844		5,031,647	
321,378		17,719,282	
13,366		7,452,512	
2,824		1,140,541	
2,264		324,703	
-		49,324	
-		3,524,736	
<u>\$ 4,260,908</u>		<u>\$ 77,937,107</u>	

SCHEDULE OF DEPARTMENT OF AVIATION FULL-TIME AND EQUIVALENT EMPLOYEES BY DIVISION

Division	FYE04	FYE05	FYE06	FYE07	FYE08
Administration	10	11	8	9	9
Accounting and Finance	27	27	27	26	26
Information Technology	11	2	-	-	-
Engineering	20	19	16	14	14
Human Resources	5	3	4	4	4
Marketing	8	8	8	8	8
Economic Development	14	11	10	10	10
Downtown Airport	13	15	17	16	17
Operations	11	12	16	17	16
Airport Police	129	144	128	126	126
Field Maintenance	74	72	74	71	71
Fleet Maintenance	16	16	16	17	17
Facilities Custodial	92	94	94	94	94
Facilities Structural	36	34	34	35	34
Parking and Bus	66	67	104	101	102
Environmental Management	-	2	3	3	3
Safety	-	3	3	3	3
Total	<u>532</u>	<u>540</u>	<u>562</u>	<u>554</u>	<u>554</u>

Source: Department of Aviation records.

SCHEDULE OF ASSETS CAPITALIZED
FOR THE YEAR ENDING APRIL 30, 2008

Land:	
The Parking Plaza purchase - land	1,956,369
Total land	1,956,369
Buildings and building improvements:	
The Parking Plaza purchase - buildings	2,086,299
Rental Car Bus Facility	5,855,077
Airfield San & Deicer Facility	3,913,990
Ambassador Building	370,223
Consolidated Rental Car Facility	10,778,035
Leasehold Improvements	2,724,663
Total buildings and building improvements	25,728,287
Infrastructure:	
The Parking Plaza purchase - infrastructure	2,986,834
Glycol Collection Upgrade	2,316,341
Glycol Collection Improvement	681,199
Cargo Glycol Collection System	7,891,913
Aviation Facilities Development	330,871
Bridge Rehabilitation	827,388
Terminal End Service Drive	1,021,874
G Lot Reconstruction	1,382,297
Parking Garage Exit Booth Rehabilitation	432,867
Overlay 1/19 Runway at Charles B. Wheeler Downtown Airport	164,247
KC Aeroterm	31,848
Total infrastructure	18,067,679
Machinery and equipment:	
Buses (8)	2,292,520
Vehicles for police and operations (20)	440,026
Snow removal equipment	1,826,148
Crash rescue vehicle (1)	118,850
Flight information display monitors (126)	210,968
Cleaning and maintenance equipment	40,850
Digital voice recording system	17,279
Miscellaneous tools and equipment	93,462
Comm Room Cooling Upgrade	145,166
Automated Access Control	98,930
Total machinery and equipment	5,284,199
Total assets capitalized	\$51,036,534

SCHEDULE OF CONSTRUCTION IN PROGRESS
FOR THE YEAR ENDING APRIL 30, 2008

		FYE07	Additions	Capitalized	Expensed	FYE08
MCI PROJECTS:						
62970C39	Automated access control	-	98,931	(98,931)	-	-
62020174	Upgrade glycol collection system	1,937,360	378,981	(2,316,341)	-	-
62020197	MCI-TM-KC Aeroterm	-	31,848	(31,848)	-	-
6202174B	Cargo glycol collection system	4,453,583	3,438,330	(7,891,913)	-	-
62030256	MCI-AVI FAC Development	1,620,963	849,901	(330,871)	-	2,139,993
62040259	Inline baggage screening	3,071,227	6,215,075	-	-	9,286,302
62040281	Rehabilitate airfield lights	338,060	319,881	-	-	657,941
62040285	Airfield sand/deicer facility	247,509	3,666,481	(3,913,990)	-	-
62040289	MCI-Rehabilitate bridges	-	827,388	(827,388)	-	-
62050292	MCI-Terminal end service drive	704,993	316,881	(1,021,874)	-	-
62050294	MCI-Overhaul base plant rehab	415,871	5,385	-	-	421,256
62050298	MCI-Rehabilitate taxiways D, J	566,649	29,824	-	-	596,473
62050299	MCI-Rehabilitate taxiways M, L	3,683,755	6,918,335	-	-	10,602,090
62050307	Rehabilitate airport roadways	-	592,361	-	-	592,361
62960C21	Consolidated rental car facility	-	10,778,034	(10,778,034)	-	-
62990D49	MCI- Storage bldg improvements	458,288	326,493	-	-	784,781
62TENIMP	Tenant improvements	80,573	3,014,313	(3,094,886)	-	-
62030248	Rental Car Bus Facility	-	5,855,077	(5,855,077)	-	-
62060310	Reconstruct G Lot	-	1,382,297	(1,382,297)	-	-
62070315	Parking Garage Exit Booth Rehab	-	432,867	(432,867)	-	-
62070316	Fleet Bldg 125 Paris Additions	-	7,729	-	-	7,729
62070317	Snow Removal Equip Bldg Const	-	11,044	-	-	11,044
62070319	Commerce Center Development	-	821,101	-	-	821,101
62080321	Athens & Brasilia Ave Rehab	-	209,093	-	-	209,093
62080323	Perimeter Fence Replacement	-	105,339	-	-	105,339
62080324	Comm Room Cooling Upgrade	-	145,166	(145,166)	-	-
6202174A	Glycol Collection System	-	681,199	(681,199)	-	-
62000000	Capital improvement accruals	3,401,784	1,540,170	-	-	4,941,954
Total construction-in-progress at MCI		20,980,615	48,999,524	38,802,682	-	31,177,457
MKC PROJECTS:						
62030235	Runway 1/19 safety area extension	370,281	167,212	-	-	537,493
62040262	Terminal bldg HVAC improvements	-	111,396	-	-	111,396
62050300	Rehabilitate runway 3-21	268,125	150,973	-	-	419,098
62900K01	Runway 1/19 overlay	-	164,247	(164,247)	-	-
62070313	Tee Hangar Complex	-	478,074	-	-	478,074
Total construction-in-progress at MKC		638,406	1,071,902	(164,247)	-	1,546,061
Total construction-in-progress		\$21,619,021	\$50,071,426	\$(38,966,929)	\$ -	\$32,723,518

COMPLIANCE SECTION

THIS SECTION CONTAINS THE FOLLOWING SCHEDULES:

INDEPENDENT AUDITORS' REPORT

OPINION LETTER FROM INDEPENDENT AUDITORS REGARDING THE PASSENGER FACILITY CHARGE (PFC) PROGRAM REPORT CONTAINED IN THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

SCHEDULE OF PFC FUNDS COLLECTED AND EXPENDED

SCHEDULE SHOWING PASSENGER FACILITY CHARGE (PFC) FUNDS COLLECTED AND EXPENDED FOR THE CURRENT FISCAL YEAR

NOTES TO SCHEDULE OF PFC FUNDS COLLECTED AND EXPENDED

NARRATIVE EXPLANATION REGARDING ITEMS IN THE PASSENGER FACILITY CHARGE (PFC) REPORT



KPMG LLP
Suite 1000
1000 Walnut Street
Kansas City, MO 64106-2162

**Independent Auditors' Report on Compliance with
Requirements Applicable to the Passenger Facility Charge (PFC) Program and on
Internal Control over compliance and the Schedule of
PFC Funds Collected and Expended**

Honorable Mayor and Members of the City Council
Kansas City, Missouri:

Compliance

We have audited the compliance of the City of Kansas City, Missouri Airports Fund (the Fund) with the types of compliance requirements described in the Passenger Facility Charge Program Audit Guide that are applicable to its passenger facility charge (PFC) program for the year ended April 30, 2008. Compliance with the requirements of laws and regulations pertaining to the passenger facility charge requirements is the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Passenger Facility Charge Program Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Fund's compliance with those requirements.

In our opinion, the Fund complied, in all material respects, with the requirements referred to above that are applicable to the passenger facility charge program for the year ended April 30, 2008.

Internal Control over Compliance

The management of the Fund is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, and contracts applicable to the passenger facility charge program. In planning and performing our audit, we considered the Fund's internal control over compliance with the requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance, in accordance with the Passenger Facility Charge Program Audit Guide.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the passenger facility

charge program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of the passenger facility charge program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of PFC Funds Collected and Expended

We have audited the financial statements of the City of Kansas City, Missouri Airports Fund, as of and for the years ended April 30, 2008 and 2007, and have issued our report thereon dated October 31, 2008. Our audits were performed for the purpose of forming an opinion on the financial statements of the City of Kansas City, Missouri Airports Fund taken as a whole. The accompanying schedule of PFC funds collected and expended (the Schedule) for the year ended April 30, 2008 is presented for purposes of additional analysis, as specified in the Passenger Facility Charge Program Audit Guide, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the City Council, Aviation Department management, and the Federal Aviation Administration, and is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

Kansas City, Missouri
October 31, 2008

Passenger Facility Charge (PFC) Program

CITY OF KANSAS CITY MISSOURI
PASSENGER FACILITY CHARGE (PFC) PROGRAM

SCHEDULE OF PFC FUNDS COLLECTED AND EXPENDED
FOR THE YEAR ENDING APRIL 30, 2008

PFC Project	Description	Approved for	Project Authorized Amount	PFC Funds Expended
PFC #1.1	Paving of runway 1/R/19L, taxiways E and F, and all connecting taxiways	Collection and use	\$8,833,000	\$8,409,781
PFC #1.2	CIP #E24, terminal remodeling design phase	Collection and use	16,197,329	6,245,931
PFC #1.3	Taxiway D rehabilitation	Collection and use	427,000	426,763
PFC #1.4	Aircraft rescue and firefighting vehicles	Collection and use	265,000	264,944
PFC #1.5	Overlay runway 1L/19R, taxiway A, A1-A9	Collection and use	6,722,000	6,721,999
PFC #1.6	Terminal apron rehabilitation	Collection and use	28,529,979	16,955,266
PFC #1.7	Land acquisition	Collection and use	11,180,610	10,629,350
PFC #1.8	Terminal apron lights	Collection and use	1,080,000	630,529
PFC #1.9	Overlay runway 9/27 and taxiway C, C1-C9	Collection and use	6,050,932	4,549,975
PFC #1.10	Expand general aviation apron	Collection and use	-	-
PFC #1.11	Construct federal inspection services facility	Collection and use	4,949,000	4,099,000
PFC #1.12	Taxiway B rehabilitation	Collection and use	5,009,511	5,020,226
PFC #1.13	Terminal remodel-construction phase	Collection and use	205,852,308	66,531,363
PFC #2.1	Airfield storm drainage-MKC	Collection and use	-	-
PFC #2.2	Construction aircraft hold apron	Collection and use	3,900,303	3,900,303
PFC #2.3	Automated access control system	Collection and use	3,894,393	2,321,466
PFC #2.4	Reconstruct taxiway D	Collection and use	667,387	-
PFC #2.5	PFC development and administration	Collection and use	1,094,103	393,273
PFC #3.1	Terminal equipment	Collection and use	61,602,166	27,738,180
PFC #3.2	Airfield lighting generator	Collection and use	600,000	512,599
PFC #3.3	Relocate airfield lighting generator	Collection and use	1,200,000	-
PFC #3.4	Overlay runway 1/19-MKC	Collection and use	-	-
PFC #4.1	Reconstruct runway 1/19-MKC	Collection and use	4,066,500	2,820,832
PFC #5.1	Two new ARFF vehicles	Collection and use	395,252	345,831
PFC #5.2	Taxiway B and D extension	Collection and use	2,315,000	2,444,399
PFC #5.3	Taxiway M and L rehabilitation	Collection and use	2,125,000	708,118
PFC #5.4	Airport Master Plan and Part 150 update	Collection and use	3,500,000	2,955,484
PFC #5.5	New ARFF facility construction	Collection and use	2,520,000	1,918,433
PFC #5.6	Inline baggage screening	Collection and use	28,951,284	-
PFC #5.7	Taxiway D rehabilitation	Collection and use	1,375,000	158,065
PFC #5.8	Airfield lighting rehabilitation	Collection and use	625,000	-
PFC #5.9	Perimeter fencing replacement-MKC	Collection and use	338,000	196,582
PFC #5.10	Terminal improvements-Holdrooms	Collection and use	4,732,806	5,226,686
PFC #5.11	Upgrade glycol collection system	Collection and use	2,750,000	-
PFC #5.12	Airfield snow removal equipment building	Collection Only	3,000,000	-
PFC #5.15	Fuel farm relocation-MKC	Collection Only	270,000	-
			<u>\$425,018,863</u>	<u>\$182,125,378</u>
	Funds expended by quarter:			
	Second quarter-2007			16,128,285
	Third quarter-2007			2,020,131
	Fourth quarter-2007			1,281,110
	First quarter-2008			4,065,390
	Less April 2007			(13,790,236)
	Plus April 2008			589,320
	Total PFC funds expended			<u>\$ 10,294,000</u>
	PFC collections			\$ 23,613,124
	Interest earned on PFC collections			1,664,660
	Total PFC revenue			<u>\$ 25,277,784</u>

See accompanying notes to schedule of PFC funds collected and expended.

NOTES TO SCHEDULE OF PFC FUNDS COLLECTED AND EXPENDED
FOR THE YEAR ENDING APRIL 30, 2008

(1) **General**

The Kansas City Aviation Department applied for and the Federal Aviation Administration (FAA) approved a passenger facility charge (PFC) financing for a multi-project capital program (re: 14 CFR Part 158) at the Kansas City International Airport. Imposition of a \$3.00 PFC per enplaned passenger fee began on March 1, 1997 which increased to \$4.50 on August 8, 2006. Based on subsequent amendments, the PFCs are approved through May 1, 2013. This fee is charged to passengers at the time each ticket is sold by an airline. The airlines are reimbursed for collecting the fee by retaining eight cents (\$0.08) of each PFC. Projects have been approved for total PFC collections of \$425,018,863. Revenue earned on a cash basis for fiscal year ended 2008 was \$25,277,784 and is recorded as non-operating revenues in the financial statements of the Kansas City Airports Fund of the City of Kansas City, Missouri for the year ended April 30, 2008.

(2) **Basis of Accounting**

The schedule of PFC funds Collected and Expended (the Schedule) is prepared on the cash basis of accounting, wherein revenues are recorded when received and expenses are recorded when paid. Airlines collect PFC charges based on passenger enplanement and submit these charges to the Kansas City Aviation Department the following month.

(3) **Relationship to Quarterly Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the PFC quarterly reports of funds collected and expended.

(4) **PFC Bonds**

On August 1, 2001, the Kansas City Airports Fund issued \$140,000,000 in PFC Revenue Bonds. These bonds are for the purpose of financing the design and construction cost of terminal improvements at the Kansas City International Airport and are backed by the PFCs collected on ticketed passengers that pass through Kansas City International Airport. The bonds mature annually through 2026.

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Comprehensive Annual Financial Report

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